Translation of

the Companies Law No. 159 of 1981

ترجمة قانون الشركات رقم ١٥٩ لسنة ١٩٨١

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6 July 2025

ANDERSEN

In the name of the people President of the republic

Preamble

Article (2):

The provisions of the accompanying law shall apply to joint stock companies, partnerships limited by shares, limited liability companies, and single-person companies.

Law No. 26 of 1954 concerning certain provisions applicable to joint stock companies, partnerships limited by shares, and limited liability companies shall be repealed.

Also repealed are Law No. 244 of 1960 concerning mergers of joint stock companies, and Law No. 137 of 1961 concerning the formation of boards of directors of joint stock companies, as well as any provision contrary to the provisions of the accompanying law.

Article (2) – Promulgation:

The provisions of the accompanying law shall not prejudice the provisions stipulated in special laws governing public sector companies, the investment of Arab and foreign capital, free zones, or the regulation of specific company statuses.

The provisions of the accompanying law shall apply to the aforementioned companies in matters not specifically addressed by the laws governing them.

Article (3) – Promulgation:

The provisions of the following laws shall not apply to companies subject to the accompanying law:

- Law No. 113 of 1958 regarding appointments to positions in joint stock companies and public institutions,

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- Law No. 113 of 1961 prohibiting any individual from receiving more than five thousand Egyptian pounds annually,

- Law No. 73 of 1973 concerning the determination of conditions and procedures for electing workers' representatives to boards of directors.

Likewise, the provisions of Law No. 9 of 1964 concerning the allocation of a share of profits to workers in public institutions and other entities shall not apply to branches and representative offices of foreign companies in Egypt.

The Council of Ministers may establish rules to determine a maximum limit for wages in companies subject to the provisions of the accompanying law.

Article (4) – Promulgation:

The competent minister shall issue the executive regulations of the accompanying law, as well as all regulatory decisions, contract templates, and model statutes referred to in the accompanying law, after consultation with the Financial Regulatory Authority (FRA), within a period not exceeding six months from the date of publication of this law.

For the purposes of applying the provisions of the accompanying law, the term *"competent minister"* shall mean the Minister responsible for investment affairs, and shall be referred to as *"the competent minister"* wherever mentioned in the accompanying law.

The term *"competent administrative authority"* shall mean the General Authority for Investment and Free Zones (GAFI), and shall be referred to as *"the Authority"* wherever mentioned in the accompanying law.

Article (6) – Promulgation:

This Law shall be published in the Official Gazette and shall come into force six months from the date of its publication.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Companies Law (Joint Stock Companies, Partnerships Limited by Shares, Limited Liability Companies, and Single-Person Companies)

Part One – General Provisions:

Chapter One – Companies Subject to the Provisions of this Law

Article (1):

The provisions of this Law shall apply to joint stock companies, partnerships limited by shares, limited liability companies, and single-person companies that have their principal place of business in the Arab Republic of Egypt or conduct their main activity therein.

Every company established in the Arab Republic of Egypt must have its principal place of business located within Egypt.

The company's articles of incorporation shall specify the address of its principal place of business, where its management operations are conducted.

The company must register any change to the address of its principal place of business; otherwise, any legal notices or procedures may validly be directed to the address registered in the Commercial Registry.

Article (1) bis:

Without prejudice to the provisions of the Capital Market Law issued by Law No. 95 of 1992, the Law on Special Economic Zones issued by Law No. 83 of 2002, and the Investment Law No. 72 of 2017, the Authority (GAFI) shall be responsible for providing incorporation and post-incorporation services for companies subject to the provisions of this Law.

The Authority shall automate these services and unify their procedures in accordance with the provisions of Article (50) of the Investment Law No. 72 of 2017.

Upon activation, electronic incorporation procedures shall apply exclusively, to the exclusion of any other procedures set forth in any other law.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The Executive Regulations of this Law shall determine the rules governing the operation of the incorporation system and electronic services for companies and establishments subject to its provisions.

Article (2):

A **joint stock company** is a company whose capital is divided into shares of equal value that may be traded in the manner prescribed by law.

The liability of each shareholder shall be limited to the value of the shares for which they have subscribed, and they shall not be liable for the company's debts beyond the amount subscribed.

The company shall have a trade name derived from the purpose for which it was established. The trade name may include the name or title of one or more of its founders.

Article (3):

A partnership limited by shares is a company whose capital consists of one or more equity interests owned by one or more general partners, and shares of equal value subscribed by one or more shareholders, which may be traded in the manner prescribed by law.

The general partner(s) shall be jointly and severally liable, without limitation, for the obligations of the company. The shareholder(s), however, shall be liable only to the extent of the value of the shares they have subscribed.

The company's trade name shall consist solely of the name(s) of one or more of the general partners, to the exclusion of any others.

Article (4):

A **limited liability company (LLC)** is a company in which the number of partners does not exceed fifty, and each partner shall be liable only to the extent of their share in the capital.

The company may neither be established nor increase its capital nor borrow in its name by public subscription. It may not issue tradable shares or bonds.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The transfer of a partner's share shall be subject to the right of redemption by the other partners, in accordance with the specific conditions set forth in the company's articles of association, in addition to the requirements provided for in this Law.

The company may adopt a distinctive name, which may be derived from its purpose, and its name may include the name of one or more partners.

Article (4) bis:

A **single-person company** is a company whose entire capital is owned by a single person, whether natural or legal, provided that this does not conflict with the company's purposes.

The founder of the company shall not be liable for its obligations except to the extent of the capital allocated to it.

The company shall have a distinctive name derived from its purpose or the founder's name. The name must be followed by an indication that it is a single-person limited liability company.

Such indication shall appear at the company's principal place of business, its branches (if any), and in all its correspondence.

Article (5):

Partnerships limited by shares and **limited liability companies** may not engage in insurance activities, banking operations, savings, accepting deposits, or investing funds on behalf of third parties.

Article (6):

All contracts, invoices, business names, trade addresses, advertisements, and all documents and other printed materials issued by a company must bear the company's name and indicate its legal form either before or after the name, in clearly legible characters.

They must also include the company's principal place of business and the issued capital based on the value shown in the most recent financial statements.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Any person who engages in a transaction under the company's name without complying with the provisions of the preceding paragraph shall be personally liable for all obligations arising from such transaction.

If the declared capital amount is exaggerated, any third party shall have the right to hold the person acting in the company's name liable to the extent of the difference between the actual capital and the overstated amount, insofar as necessary to satisfy the rights of the third party.

Part One – General Provisions

Chapter Two – Incorporation

Section One – Founders

Article (7):

A founder of a company is any person who effectively participates in its incorporation with the intention of assuming the responsibilities arising therefrom, and shall be subject to the provisions of Article 89 of this Law.

A person shall specifically be considered a founder if they sign the memorandum of incorporation, apply for a license to incorporate the company, or contribute an in-kind share at the time of incorporation.

Persons who participate in the incorporation on behalf of the founders, such as freelance professionals or others acting in a representative capacity, shall not be considered founders.

Article (8):

Except in the case of single-person companies, the number of founding shareholders in a joint stock company shall not be less than three. For all other companies subject to the provisions of this Law, the number of founders shall not be less than two.

If the number of partners falls below the required minimum, the company shall be deemed dissolved by operation of law, unless the minimum number is restored within a maximum period of six months.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Alternatively, the remaining partner(s) may, within the same period, request the conversion of the company into a single-person company.

The remaining partner(s) shall be personally liable with all their assets for the company's obligations during this period.

Article (9):

The preliminary contract concluded by the founders shall follow the template issued by the competent minister by ministerial decree.

The contract may not include any provisions that exempt the founders or any of them from liability arising from the incorporation of the company, nor any provisions intended to apply to the company after its incorporation unless such provisions are included in the articles of incorporation or the company's bylaws.

Article (9) bis:

Without prejudice to the provisions of Article (9) of this Law, the shareholders or partners may enter into an agreement among themselves, either at the time of incorporation or thereafter, to regulate the relationship between them.

Such an agreement shall not be binding on other shareholders or partners unless it is approved by the extraordinary general assembly of the company with a majority of no less than three-quarters of the capital, or a higher majority in cases specified by the Executive Regulations of this Law.

Article (10):

The founders shall be jointly liable for the obligations they undertake.

Any founder who undertakes obligations on behalf of others shall be personally liable unless the name of the principal is stated in the incorporation contract or unless the power of attorney submitted is shown to be valid.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (11):

In dealings with or on behalf of the company under incorporation, the founder must act with the care of a prudent person. The founders shall be jointly liable for any damage caused to the company or third parties resulting from a breach of this duty.

If a founder receives any funds or information belonging to the company under incorporation, they must return such funds to the company, along with any profits derived from the use of such funds or information.

Article (12):

No transaction between the company under incorporation and any of its founders shall be binding upon the company after incorporation unless such transaction is approved:

- by the company's board of directors, provided that none of the board members are related to the founder involved in the transaction or have any interest in it,
- or by the general assembly of the company in a meeting in which interested founders shall have no voting rights.

In all cases, the interested founder must disclose to the approving body all facts related to the transaction.

Article (13):

Subject to the provisions of the preceding article, contracts and transactions made by the founders in the name of the company under incorporation shall be binding upon the company after incorporation if they were necessary for the incorporation of the company.

In all other cases, such contracts and transactions shall not be binding unless approved by the authority specified in the preceding article.

Article (14):

If the company is not incorporated due to an error by the founders within six months from the date of notification of its establishment, any subscriber may apply to the Summary Proceedings Judge (Judge of Urgent Matters) to appoint someone to refund and distribute the paid amounts to the subscribers.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

A subscriber may seek compensation from the founders, who shall be jointly liable, if necessary.

Additionally, any subscriber may request a refund of the amount subscribed to the share capital of the company under incorporation if a period of one-year elapses from the date of subscription without initiation of the incorporation procedures.

Part One – General Provisions

Chapter Two – Incorporation

Section Two – Incorporation Procedures

Article (15):

The company's preliminary contract and its bylaws, or its incorporation deed, must be in official form or have notarized signatures.

Each type of company must include, in such documents, the information specified by the Executive Regulations.

The Executive Regulations shall also specify the declarations and certificates that must accompany the incorporation documents, as well as the procedures for authentication of signatures before the competent administrative authority.

Article (16):

A model contract for the incorporation of each type of company or its bylaws shall be issued by decision of the competent minister.

Each model shall include all the information and conditions required by law or the relevant regulations. It shall also set out the terms and provisions that the founding partners may choose to retain or omit from the model, as well as allowing for the addition of other conditions that do not conflict with the provisions of the law or the regulations.

Departures from the provisions of the model are not permitted, except in the cases specified above.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The model contract shall be issued after approval by the Legislative Department of the State Council.

Article (17):

The founders, or their representative, shall notify the Authority of the establishment of the company. The notification must be accompanied by the following documents:

- The preliminary contract and the company's bylaws for joint stock companies and partnerships limited by shares, or the incorporation deed for limited liability companies and single-person companies.

- Approvals from the relevant authorities, if the exercise of any of the company's activities requires special approvals pursuant to the provisions of another law.

- A certificate from a licensed bank confirming full subscription to all shares or equity interests of the company, and that at least the minimum required paid-in capital has been paid and placed at the disposal of the company until it acquires legal personality.

  Limited liability companies are exempt from submitting this certificate.

- A receipt evidencing payment of a fee amounting to one per thousand of the company's issued capital (for joint stock companies and partnerships limited by shares), or of the paid-up capital (for limited liability companies and single-person companies), provided that the fee is not less than EGP 100 and not more than EGP 1,000.

- A certificate from a licensed central depository and registry company confirming the deposit of the securities of joint stock companies and partnerships limited by shares with the said depository.

The competent administrative authority shall issue a certificate acknowledging receipt of the notification once all the above-mentioned documents are duly submitted. The company shall be registered in the Commercial Registry on the basis of this certificate, without any additional procedures or conditions, and regardless of the proportion of non-Egyptian ownership.

The company shall be publicized and acquire legal personality 15 days after its registration in the Commercial Registry, unless the competent authority decides to grant legal personality before the expiration of that period.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

By way of exception, companies and establishments carrying out activities in the Sinai Peninsula shall not acquire legal personality except by decision of the Chairman of the General Authority for Investment and Free Zones (GAFI).

Furthermore, no amendments to their bylaws or transfers of their share capital shall be made without the prior approval of the Chairman of the said Authority.

Article (18):

The competent administrative authority may, within ten days from the date it is notified of the company's incorporation, object to its establishment by sending a registered letter to the company's address as indicated in the documents attached to the notification. A copy of the objection shall also be sent to the Commercial Registry in order to be annotated in the company's registration file.

The objection must be reasoned and shall include the necessary actions required to remedy the grounds of objection.

The administrative authority may object to the company's establishment only on the basis of one of the following grounds:

- The preliminary contract, incorporation deed, or bylaws of the company are inconsistent with the mandatory information set forth in the prescribed model or include provisions that violate the law.
- The company's purpose is contrary to the law or public order.
- One of the founders lacks the legal capacity required to establish the company.

Article (19):

Within fifteen (15) days from the date the company is notified of the objection, it must either rectify the grounds for objection or submit an appeal to the Minister of Economy. Otherwise, the competent administrative authority shall issue a decision to strike the company off the Commercial Register.

If the appeal is not decided within fifteen (15) days of submission, it shall be deemed accepted and the effects of the objection shall lapse.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

If the appeal is rejected, the company shall be notified by registered mail to remedy the reasons for the objection. If it fails to do so within ten (10) days from the date of notification, the competent administrative authority shall issue a decision to remove the company's registration from the Commercial Register.

In all cases, the company shall lose its legal personality from the date the removal decision is issued.

Interested parties may appeal this decision before the Administrative Court within sixty (60) days from the date of notification or from becoming aware of the decision. The court shall rule on the appeal on an expedited basis.

The founders shall be jointly and personally liable with their own assets for any consequences or damages incurred by third parties as a result of the company's removal from the Commercial Register, without prejudice to any applicable criminal penalties.

Article (19 bis):

Without prejudice to the provisions of the Capital Market Law No. 95 of 1992, the Authority may object to any increase in the share capital only if it proves that such increase was made fraudulently, in violation of shareholders' or third parties' rights, in breach of Egyptian accounting standards, or in fundamental violation of this Law or the rules and procedures for capital increase.

The competent Commercial Registry office shall annotate the objection.

The company must rectify the reasons for the objection within fifteen (15) days from the date of notification, or it may file an appeal before the Grievances Committee provided for in Article (160 bis) of this Law. Otherwise, the Commercial Registry office shall cancel the annotation of the capital increase.

If sixty (60) days pass from the date the grievance is submitted without a decision being issued, the grievance shall be deemed accepted, and the objection shall be considered null.

If the grievance is rejected, the Authority shall notify both the company and the Commercial Registry office pursuant to the procedures defined in the Executive Regulations. The company must then address the objection within ten (10) days of being notified; otherwise, the Commercial Registry office shall cancel the capital increase registration.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (20):

Amounts paid on behalf of a company under incorporation must be deposited in a licensed bank as designated by the competent minister.

The company may not withdraw such funds until its bylaws or incorporation deed are registered in the Commercial Register.

Article (21):

The Executive Regulations shall regulate the procedures for the publication of the company's incorporation deed and bylaws, whether in the Egyptian Gazette (Al-Waqa'i' Al-Masriyya), in a special bulletin issued for this purpose, or by any other means.

Publication shall in all cases be at the company's own expense.

The notarization fee for signatures in the incorporation documents of companies subject to this Law shall be 0.25% of the capital, with a maximum of EGP 1,000, regardless of whether the notarization is made in Egypt or at an Egyptian consulate abroad.

The incorporation contracts of such companies, as well as loan and mortgage contracts related to their operations, shall be exempt from stamp duties, notarization fees, and registration fees for a period of one year from the date of registration of the company's contract and bylaws in the Commercial Register.

Article (21 bis)

Repealed.

Article (22)

Repealed.

Article (23)

Repealed.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (24):

The conditions and procedures applicable to the incorporation of the company shall also be observed when amending its bylaws, in the cases specified by the Executive Regulations.

Part One – General Provisions

Chapter Two – Incorporation

Section Three – Special Provisions for the Incorporation of Certain Types of Companies

1. Joint Stock Companies and Partnerships Limited by Shares

Article (25):

Without prejudice to the provisions of Article (28), paragraph (1) of this Law, if the capital of a joint stock company or a partnership limited by shares includes in-kind contributions—whether tangible or intangible—at incorporation or upon increasing the capital, the founders or the board of directors, as applicable, must request the Authority to verify the accuracy of the valuation of such contributions.

The valuation is to be conducted by a committee formed by the Authority, chaired by a judge from a judicial authority or body, and composed of up to four experts in economics, accounting, law, and technical fields, selected by the Authority.

This committee shall adhere to the rules, procedures, and standards specified in the Executive Regulations, including the Egyptian Real Estate Valuation Standards and the Standards for Financial Valuation of Establishments, as applicable. The committee must submit its report within a maximum period of sixty (60) days from the date the documents are referred to it.

If the in-kind contribution is owned by the State, a public authority, or a public sector company, a representative of public funds shall participate in the valuation. This representative is appointed by the competent minister, in accordance with the regulations issued by the Prime Minister.

The founders or the board of directors must distribute the committee's report to the shareholders and also to the Central Auditing Organization (if the in-kind contribution is from a public entity) at least two weeks prior to the meeting convened to discuss the report.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The valuation of such contributions shall not be final until it is approved by the majority of subscribers or partners holding at least two-thirds of the cash shares or stakes, excluding those owned by the in-kind contributors. The contributors of in-kind shares may not vote on the resolution regarding the approval, even if they hold cash shares or stakes.

If it is found that the valuation of the in-kind contribution exceeds its true value by more than 20%, the company must reduce its capital by the difference.

However, the contributor may opt to pay the difference in cash or withdraw altogether.

In-kind contributions may only be represented by shares or stakes that are fully paid up.

The provisions of this Article shall also apply to any in-kind shares subscribed for in capital increases, provided they occur within the period specified in the first paragraph of this Article.

Article (26):

The constituent general assembly of the company shall convene—upon the invitation of the group of founders or their agent—within one month from the closing of the subscription period, the expiry of the deadline for participation, or the submission of the report evaluating in-kind contributions, whichever occurs first.

All partners shall have the right to attend this assembly regardless of the number of their shares or the amount of their quotas.

The executive regulations shall determine the procedures and deadlines for the invitation, the necessary details to be included therein, the method of publication, and the relevant authorities to be notified.

The constituent assembly shall be chaired by the founder holding the largest number of shares or quotas. The assembly shall elect a secretary and two vote collectors.

The minutes of the session shall be signed by the chairperson, the secretary, and the vote collectors.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (27):

The constituent general assembly meeting shall only be valid if attended by shareholders representing at least half of the issued capital.

If this quorum is not met, a second meeting shall be called within 15 days of the first meeting. The executive regulations shall set out the procedures and information required for the second invitation.

The second meeting shall be valid if attended by shareholders representing at least one-quarter of the issued capital.

Resolutions of the constituent assembly shall be passed by the majority of votes corresponding to the shares or quotas represented at the meeting, unless a special majority is required by law.

Article (28):

The constituent general assembly shall be competent to consider the following matters:

- The valuation of in-kind contributions in accordance with this law.
- The founders' report on the incorporation process and related expenses.
- Approval of the company's articles of association; no amendments may be introduced unless approved by the founders and a numerical majority of shareholders representing at least two-thirds of the capital.
- Ratification of the selection of the first board members and the auditor.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (29):

A limited liability company shall not be deemed incorporated unless all cash shares have been distributed among the partners in the articles of incorporation and their value fully paid.

If a partner provides an in-kind share, the articles must specify its type, value, the price agreed upon by the other partners, the name of the contributing partner, and the share of capital received in return.

The contributor of an in-kind share shall be liable to third parties for the value stated in the company's articles.

If the valuation proves to be overstated, the contributor must pay the difference in cash, and the remaining partners shall be jointly liable for paying such difference unless they prove ignorance of the overvaluation.

Article (30):

The company's founders—and its directors in case of capital increase—shall be jointly liable towards any affected party, even if otherwise agreed, for the following:

- Any portion of capital that was incorrectly subscribed to. They shall be deemed by law to have subscribed to it and must pay it upon discovery of the invalidity.
- Any overvaluation of in-kind contributions stated in the articles of incorporation or in the capital increase agreement. They shall be deemed by law to have subscribed to the overvalued amount and must pay it once proven.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (31):

The share capital of the company shall be divided into nominal shares of equal value.

The articles of association shall specify the nominal value of each share, which shall not be less than one pound and not more than one thousand pounds or its equivalent in foreign currencies.

Any provision to the contrary in other laws shall be null and void.

Shares shall be indivisible and may not be issued for less than their nominal value.

They may only be issued at a premium under conditions specified in the executive regulations, and any such premium shall be added to the reserves.

In all cases, issuance costs may not exceed the limit set by the Financial Regulatory Authority.

The executive regulations shall determine the information to be included in share certificates, the procedures for replacing lost or damaged certificates, and the treatment of such certificates when the company's articles are amended.

Article (32):

The company shall have an issued capital, and the articles of association may provide for an authorized capital exceeding the issued capital by no more than tenfold.

The executive regulations may also specify a minimum issued capital for companies conducting certain types of activities, as well as the minimum amount to be paid upon incorporation.

The issued capital must be fully subscribed. Each subscriber shall pay at least 10% of the nominal value of the cash shares upon subscription, which shall be increased to 25% within three months of the company's incorporation.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The remaining amount must be paid within a maximum period of five years from the date of incorporation.

The executive regulations shall set the procedures governing the trading of shares prior to full payment of their value.

Article (33):

The issued capital may be increased by resolution of the ordinary general assembly, adopted by a majority of shares represented at the meeting.

The board of directors may also increase the issued capital within the limit of the authorized capital, if any, except for companies whose securities are listed on Egyptian stock exchanges, which are exempted from this rule.

In all cases, the issued capital may not be increased before being fully paid unless authorized by a resolution of the extraordinary general assembly.

Subscribers to the increase must pay no less than the same percentage paid on the existing capital before the increase, and the remainder shall be paid according to the same schedule applicable to the existing capital.

The increase must be completed within three years from the date of the resolution authorizing it, or within the remaining period for paying the issued capital before the increase, whichever is longer. Otherwise, the resolution shall be deemed void.

Article (34):

Founders' shares or profit shares may not be created except in exchange for a concession granted by the government or an intangible right.

The company's articles must state the consideration for such shares and the rights attached to them.

The general assembly may cancel such shares in exchange for fair compensation to be determined by the committee referred to in Article 25, after one-third of the company's duration or ten financial years at most have elapsed from the date such shares were created, unless the articles provide for a shorter period.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

These shares may not be allocated more than 10% of the net profits after setting aside the legal reserve and distributing at least 5% profit on the capital.

Upon the company's dissolution and liquidation, the holders of these shares shall have no share in the liquidation surplus.

This paragraph does not apply to companies existing at the time this law came into force.

Article (35):

Enjoyment shares (i.e., shares issued after redemption of original shares) may only be issued by companies whose articles provide for the redemption of shares before the end of the company's term.

This is applicable when the company's activity is related to the exploitation of a natural resource or a public utility granted for a limited period, or other activities that are consumed through use or expire after a certain period.

The articles may also provide for certain privileges to specific classes of shares, such as in voting rights, profits, or liquidation proceeds. However, shares of the same class must have equal rights, privileges, and restrictions.

It is prohibited to combine voting rights and liquidation advantages in one class of preferred shares.

Any amendment to the rights, privileges, or restrictions of a share class must be approved by an extraordinary general assembly resolution, with a two-thirds majority of holders of that share class.

In all cases, preferred shares may only be issued, or capital increased through preferred shares, upon approval of the extraordinary general assembly by a three-quarters majority of all company shares before the increase, and by amending the articles accordingly.

The executive regulations shall define the rules, conditions, and procedures governing the issuance of preferred shares.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (36)
(Repealed)

Article (37):

If the company's shares are offered for public subscription, this must be conducted through a bank authorized by decision of the Minister of Economy to receive subscriptions, or through companies established for that purpose or licensed to trade in securities, subject to the approval of the Financial Regulatory Authority.

If the offering is not fully subscribed within the specified period, the banks or companies receiving the subscriptions—if licensed—may cover all or part of the unsubscribed shares and may subsequently re-offer them to the public without being bound by the share trading restrictions specified in this law.

The executive regulations shall determine the procedures and conditions for applying this article.

Article (38):

If the number of shares subscribed exceeds the number offered, the shares shall be allocated among subscribers as determined by the company's bylaws, provided that no subscriber is excluded regardless of the number of shares they applied for.

Fractional shares shall be rounded in favor of small subscribers.

Article (39):

The company shall have a financial year as designated in its bylaws. Financial statements shall be prepared in accordance with accounting standards issued by the Minister of Economy.

The company's bylaws may provide for periodic financial statements covering periods not less than three months.

Companies established with the purpose of participating in the incorporation of other companies, or holding equity in them in any form, must prepare consolidated financial statements for such entities.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (40):

Net profits are the profits resulting from the company's operations after deducting all necessary costs and accounting for all depreciations and provisions as required by accounting principles, before any distribution of profits in any form.

The board of directors shall allocate at least 1/20 (5%) of net profits to form a legal reserve.

The general assembly may suspend further allocations to this reserve once it equals half the issued capital.

The legal reserve may be used to offset company losses or increase capital.

The bylaws may stipulate the allocation of a specific percentage of net profits to form a statutory reserve.

If the statutory reserve is not designated for specific purposes under the bylaws, the ordinary general assembly may, upon recommendation of the board of directors, decide on its use for the benefit of the company or shareholders.

The general assembly may also, based on a board proposal, form other types of reserves. Upon approval of the general assembly, a portion of the net profit arising from the sale or indemnification of a fixed asset may be distributed, provided that this does not prevent the company from restoring or acquiring new fixed assets.

The bylaws may also authorize the general assembly to distribute all or part of the profits indicated in interim financial statements, provided that such statements are accompanied by a report from the auditor.

Article (41):

Employees of the company shall be entitled to a share of the distributable profits as determined by the general assembly upon recommendation from the board of directors.

This share shall not be less than 10% of such profits and shall not exceed the total annual wages of the employees.

The executive regulations shall determine the method of distributing any excess over the 10% and the employee services to be funded from it.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

These provisions shall not affect more favorable profit-sharing arrangements already in place at the time this law came into force.

Article (42):

The ordinary general assembly shall decide how to use the remaining net profits after allocating amounts referred to in the preceding articles and after deducting the board members' share in profits.

Reserves and provisions may not be used for other purposes unless approved by the general assembly.

Article (43):

Profits shall not be distributed if doing so would prevent the company from meeting its financial obligations when due.

Creditors may petition the competent court to nullify any profit distribution made in violation of this article.

Board members who approved such distribution shall be jointly liable to the creditors up to the amount of the unlawful distribution.

Shareholders who were aware of the illegality of such distribution may also be held liable to the extent of the profits received.

Article (44):

Each shareholder and employee become entitled to their share in profits once the general assembly resolves to distribute them.

The board of directors must execute the distribution resolution within one month from the date of its issuance.

Shareholders and employees are not required to return profits lawfully distributed under this law, even if the company incurs losses in subsequent years.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (45):

Without prejudice to Article 53 of the Investment Law No. 72 of 2017:

- Founders' shares and shares issued in exchange for in-kind contributions may not be traded until the publication of financial statements for two full financial years, each not less than twelve months, starting from the date of incorporation.
- The executive regulations shall specify the applicable conditions and procedures.
- Except as stated above, the trading of shares in joint stock companies shall be governed by the provisions of this law, the Capital Market Law, and related executive decisions.
- As an exception, shares subscribed by the founders may be transferred among themselves, to a board member needing them as a guarantee, or to others upon death.
- These provisions also apply to founders' shares in any capital increase before the lapse of the aforementioned two-year period.

Article (46):

Without prejudice to the previous article, subscription certificates and shares may not be traded at a price exceeding their issuance value plus, where applicable, issuance costs:

- In the period before the company is registered in the commercial register (for subscription certificates), or
- Until the publication of financial statements for a full financial year (for shares), except in accordance with conditions and procedures issued by the Minister of Economy.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (47):

Shares and bonds issued by public subscription by joint stock companies must be submitted for listing on all securities exchanges in Egypt within one year from the closing of the subscription period, in accordance with the rules of those exchanges.

The managing director shall be responsible for enforcing this article and for any compensation due in case of its violation.

Article (48):

A company may not acquire, by any means, more than 10% of its total issued shares.
If a company does acquire shares within this limit, it must notify the Financial Regulatory Authority within three working days, and dispose of the shares to third parties within one year, otherwise the company must reduce its capital by the nominal value of the acquired shares, following procedures outlined in the executive regulations.

If the company fails to reduce its capital accordingly, the Authority shall proceed with the capital reduction after 30 days from notifying the company.

Transferring such shares to subsidiaries or affiliates is not considered a third-party transfer.

Such shares shall have no voting rights or profit entitlements and shall be excluded from share count when calculating quorum and voting requirements in general assemblies, until disposed of.

The executive regulations shall govern the disposal of shares and define the company's relationship with its subsidiaries and affiliates.

The company may purchase shares to distribute to employees as part of their profit-sharing scheme.

Article (48 bis):

Without prejudice to the legal framework for profit distribution, the company’s articles may include one or more schemes to reward or incentivize employees and managers by granting them direct or indirect ownership of company shares.

Such schemes must comply with procedures and conditions specified by the executive regulations.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The Financial Regulatory Authority shall prepare the necessary templates and review contracts related to these schemes.

Part Two– Specific Provisions for Company Types

Chapter I – Joint Stock Companies

First – Financial Structure

3. Bond Issuance

Article (49):

The company may issue registered bonds, which shall be tradable. However, such issuance may only occur by resolution of the general assembly after the entire issued capital has been paid and provided the total value of the bonds does not exceed the company's net assets, as determined by the auditor based on the latest financial statements approved by the general assembly.

If any portion of the bonds is offered to the public for subscription, such offering shall only occur with the approval of the Financial Regulatory Authority, through a licensed bank designated by the competent minister, or through companies established or licensed for dealing in securities.

The public invitation to subscribe to the bonds must be made by means of a prospectus that includes the information, procedures, and publication method specified in the executive regulations.

Any interested party may apply to the competent court to invalidate a subscription made in violation of the preceding provisions, and the company shall be required to immediately refund the bond value, in addition to being liable for compensation.

The executive regulations shall specify the data to be included in bond certificates, procedures for replacement of lost or damaged certificates, and actions to be taken regarding the certificates when amending the company's bylaws.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (50):

By way of exception to the preceding article, the company may issue bonds prior to full payment of the issued capital in the following cases:

- If the bonds are fully secured by a first-ranking mortgage on company assets.
- If the bonds are guaranteed by the state.
- If the bonds are fully subscribed by banks or companies operating in securities markets, even if later resold.
- In the case of real estate and mortgage finance companies, and other companies licensed by the competent minister.

Furthermore, the competent minister may, upon recommendation from the Financial Regulatory Authority, authorize such companies to issue bonds exceeding the value of their net assets, within limits to be determined by the said decision.

Article (51):

The terms of bond issuance may provide that bonds are convertible into shares after a period defined in the subscription prospectus, subject to the bondholder's consent.

Conversion is conditional upon compliance with the rules governing capital increases.

Article (52):

A Bondholders' Group shall be formed, consisting of all holders of bonds of the same issuance. This group's purpose is to protect the common interests of its members and shall have a legal representative selected from among its members and removable according to conditions stated in the executive regulations. The representative must not have any direct or indirect relationship with the company or any conflicting interest.

The relevant administrative authority must be notified of the group's formation, the name of its representative, and all resolutions adopted. The representative shall act to safeguard the group's interests against the company, third parties, and in legal proceedings, within the bounds of valid group resolutions.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The executive regulations shall determine procedures for convening the group, attendance rights, voting, and its relationship with the company and regulatory authorities.

The group's representative has the right to attend the company's general assembly meetings, provide remarks (without voting rights), and present group resolutions or recommendations to the board or general assembly.

Part Two – Special Provisions for Types of Companies

Chapter One – Joint Stock Companies

Second – Management of the Company

1- Authority for Management and Protection of Dealings with the Company

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Article (53):

The general assembly, the board of directors, and any employees or agents appointed by either of them shall have the authority to act legally on behalf of the company, within the limits of the law, the company's articles of association, and internal regulations.

Article (54):

The board of directors shall have full authority to manage the company and undertake all necessary actions to achieve its objectives, except for those matters specifically reserved to the general assembly under the law or the articles of association.

However, the general assembly may intervene in matters of management if the board fails to act due to lack of quorum, inability to form a majority, or deliberate absenteeism.

The general assembly may also ratify board actions or issue recommendations regarding matters within the board's purview.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (55):

Any act or decision made by the general assembly, board of directors, its committees, or any authorized member acting in the ordinary course of business shall be binding on the company. Third parties acting in good faith may rely on such acts even if they exceeded authority or formal procedures were not properly followed.

In all cases, the company may not deny responsibility for activities it is engaged in simply by claiming its articles do not authorize such activities.

Article (56):

No act of an employee or agent shall bind the company unless such authority was expressly or implicitly granted by the general assembly, the board, or an authorized board member.

Nevertheless, third parties acting in good faith may rely on such acts if the company, through any of the above entities, presented the individual as having such authority, and the third party reasonably relied on that representation.

Article (57):

The company may not argue against third parties acting in good faith that corporate procedures were not followed or that certain board members, directors, or employees were not validly appointed, provided such individuals acted within the ordinary scope of business customary for companies engaged in similar activities.

Article (58):

A person is not deemed to be acting in good faith under the preceding articles if they knew, or should have known given their role or relationship with the company, of the irregularity in the act.

Mere publication or registration of a document shall not be deemed sufficient notice of its contents.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (59):

Each shareholder has the right to attend the general assembly in person or by proxy. A proxy must be supported by a written authorization.

A shareholder who is not a board member may not appoint a board member as proxy for the general assembly.

The executive regulations shall govern the rules for proxy appointments, including whether the proxy is a shareholder or not.

Article (60):

The board must be represented in the general assembly by the minimum number required for a valid board meeting unless the number of board members is insufficient.

Absence without valid excuse is not permitted.

If at least three board members attend, including the chairman, vice-chairman, or a managing director, the meeting shall not be invalidated, provided all other legal requirements are met.

If the general assembly meeting is validly held but lacks board quorum, the assembly may impose fines on absentee board members without excuse and may proceed to dismiss and replace them. The new general assembly shall be convened afterward.

Procedures for shareholder attendance and participation are defined in the executive regulations.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (61):

The general assembly is convened by the chairman of the board at the time and place stated in the company's bylaws. It must convene at least once annually within three months following the end of the financial year.

The board may convene the assembly whenever necessary.

It must also do so at the request of the auditor or shareholders holding at least 5% of the company's capital, provided that reasons for the request are stated and their shares are deposited with the company or an approved bank. These shares may not be withdrawn until the meeting concludes.

The executive regulations determine the procedures for convening, announcing, and notifying the general assembly.

Article (62):

The auditor or the competent administrative authority may call the general assembly to convene if the board fails to do so within one month of a triggering event or deadline.

The administrative authority may also convene the assembly if the number of board members falls below the required minimum or if board members refuse to attend to maintain quorum.

In all cases, the company bears the costs of such a call to meeting.

Article (63):

Subject to the provisions of this Law, the Ordinary General Assembly shall be competent to consider the following matters:

- Electing and dismissing members of the Board of Directors.
- Supervising the activities of the Board of Directors and considering the discharge of its members from liability.
- Ratifying the financial statements.
- Approving the Board of Directors' report on the company's activities.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- Approving the distribution of profits.

- Considering any matters proposed to the General Assembly by the Board of Directors, the competent administrative authority, or shareholders representing not less than 5% of the share capital.

The General Assembly shall also be competent to consider all matters stipulated in the law and the company's Articles of Association.

Article (64):

The Board of Directors shall prepare, for each financial year and within a timeframe that permits holding the General Assembly within no more than three months from the end of said financial year, the company's financial statements, a report on the company's activities during the financial year, and a statement of its financial position at the end of that year.

Article (65):

The Board of Directors shall publish the financial statements, a comprehensive summary of its report, and the full text of the auditor's report prior to the General Assembly meeting. The Executive Regulations shall determine the means and timing of such publication.

Where permitted by the company's Articles of Association, it shall be sufficient to send a copy of the documents referred to in the first paragraph to each shareholder by registered mail or by any other means specified in the Executive Regulations and within the timeframes set therein.

Article (66):

The Executive Regulations shall specify the information required to be disclosed to shareholders prior to the Ordinary General Assembly, including remuneration, salaries, and other benefits received by the Chairman and Board members, any transactions involving a conflict of interest, and data related to donations or advertising expenses.

The Regulations shall also determine the manner and timing of such disclosures.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (67):

The Ordinary General Assembly shall not be validly convened unless attended by shareholders representing at least one-quarter of the share capital, unless the company's Articles of Association stipulate a higher percentage, provided that it does not exceed one-half of the capital.

If the quorum is not met in the first meeting, a second meeting must be convened within thirty days. The date of the second meeting may be specified in the invitation to the first meeting if allowed by the Articles of Association.

The second meeting shall be deemed valid regardless of the number of shares represented.

Decisions of the General Assembly shall be adopted by an absolute majority of the shares represented at the meeting.

The Executive Regulations shall determine the procedures for convening the Assembly, the required notices and contents thereof, the procedures for holding the meeting, chairing the session, selecting the secretariat and vote counters, and the voting methods.

Article (68):

The Extraordinary General Assembly (EGA) shall be competent to amend the company's Articles of Association, subject to the following:

- The shareholders' liabilities may not be increased. Any resolution adopted by the General Assembly that infringes upon the fundamental rights of a shareholder, derived from their status as a partner, shall be null and void.

- Supplementary, related, or closely connected objectives may be added to the company's primary objective. However, the primary objective may not be changed except for reasons approved by the competent administrative authority.

- The EGA may resolve to extend or shorten the company's duration, dissolve the company prior to the expiration of its term, alter the percentage of losses that trigger mandatory dissolution, or approve a merger—regardless of the provisions of the Articles of Association.

- The approval of the EGA shall not be required to amend the Articles of Association in the event that the Board of Directors increases the issued share capital within the limits of the authorized capital. In such case, the Board shall affect the necessary amendment.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (69):

If the company's accumulated losses reach half the value of shareholders' equity, as per the latest annual financial statements, the Board of Directors must convene the Extraordinary General Assembly to consider whether to dissolve the company or continue its operations.

Article (70):

The provisions applicable to the Ordinary General Assembly shall also apply to the Extraordinary General Assembly, subject to the following:

- The EGA shall convene upon invitation by the Board of Directors. The Board must call the meeting if requested by shareholders representing at least 10% of the share capital, provided they deposit their shares with the company's headquarters or an accredited bank. These shares may not be withdrawn until the assembly concludes. If the Board fails to convene the meeting within one month from the date of request, the requesting shareholders may petition the competent administrative authority, which shall issue the invitation.

- The meeting shall only be valid if attended by shareholders representing at least half of the share capital. If the required quorum is not met at the first meeting, a second meeting must be called within 30 days. The second meeting shall be valid if attended by shareholders representing at least one-quarter of the capital.

  The Executive Regulations shall determine the procedures, timing, methods of publication and announcement, and the rights of non-shareholders to attend.

- EGA resolutions shall be adopted by a two-thirds majority of shares represented at the meeting. However, resolutions relating to increasing authorized capital, decreasing capital, dissolving the company before its term, changing the company's objective, merging, or splitting the company shall require a three-quarters majority of shares represented at the meeting.

Article (71):

The General Assembly may not deliberate on matters not listed on the agenda. However, it may discuss serious matters that arise during the meeting.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Resolutions adopted by a duly convened General Assembly in accordance with the law and the company's Articles shall be binding on all shareholders, whether present, absent, or dissenting. The Board of Directors shall implement such resolutions.

Article (72):

Every shareholder attending the General Assembly has the right to discuss the items on the agenda and question the Board members and auditors accordingly. Shareholders may also submit questions prior to the meeting within the deadline set by the Executive Regulations.

Any provision in the Articles depriving shareholders of this right shall be void.

The Board shall answer shareholders' questions to the extent that doing so does not harm the interests of the company or the public. If a shareholder deems the response inadequate, they may refer the matter to the General Assembly, whose decision shall be binding.

Article (73):

Voting at the General Assembly shall be conducted in the manner specified by the Articles. Secret ballot is mandatory where the resolution pertains to:

- Electing or removing Board members;
- Filing liability claims against Board members; or
- If requested by the Chairman or by shareholders representing at least 10% of the votes present.

The Articles may allow cumulative voting for the election of Board members, whereby each shareholder has a number of votes equal to the number of shares held and may allocate all or part of such votes to one or more candidates. This shall not be subject to paragraph five of Article 67, and the Executive Regulations shall govern implementation.

Listed companies under the central clearing and deposit system may adopt electronic systems to present General Assembly agenda items and allow remote voting, subject to the conditions and procedures specified in the Executive Regulations.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (74):

Board members shall not vote on resolutions relating to their own remuneration, bonuses, discharge of liability, or approval of their management performance.

Article (75):

A detailed summary of the General Assembly's deliberations, including attendance quorum, resolutions adopted, votes in favor and against, and any matters requested by shareholders, must be recorded in the minutes.

Shareholder attendance must be recorded in a special register indicating whether attendance was in person or by proxy. The register must be signed prior to the meeting by the auditor and vote counters.

Meeting minutes shall be recorded in a dedicated book following each session. Such records must comply with commercial book-keeping regulations, including the prohibition of blank spaces, erasures, marginal notes, or insertions.

Each page of the register must be sequentially numbered, stamped by the Real Estate Registration and Authentication Authority, and signed by the authorized notary, with the date of stamp and pagination indicated on every page before use.

No new register may be used until the previous one is presented to the notary for closure, which must be officially recorded.

This documentation requirements also apply to the shareholder register and attendance register, as well as the primary and auxiliary accounting books.

The company must retain all supporting documents referred to in these books.

Signatories to the minutes are responsible for the accuracy of the records. Board members who sign are liable for any inconsistencies with the law or the Articles.

A copy of the General Assembly minutes must be sent to the competent administrative authority within one month from the meeting date.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (76):

Without prejudice to the rights of bona fide third parties, any General Assembly resolution that violates the law or the company's Articles of Association shall be null and void.

A resolution may also be annulled if it serves the interests of a specific group of shareholders, causes harm to others, or provides special benefits to Board members or others without regard to the company's interest.

Annulment may only be requested by shareholders who opposed the resolution and had their objection recorded in the minutes, or those who were absent for valid reasons. The competent administrative authority may also file for annulment on their behalf if they present serious grounds.

An annulled resolution shall be deemed void for all shareholders. The Board must publish a summary of the annulment ruling in a daily newspaper and in the Companies Gazette.

The right to file for annulment expires one year from the date of the resolution. Filing suit does not suspend the resolution unless the court orders otherwise.

Article (76 bis):

Without prejudice to Article (10) of the Capital Market Law No. 95 of 1992 regarding companies listed on Egyptian stock exchanges, companies that have made public offerings, or companies engaged in non-banking financial activities:

The Financial Regulatory Authority may, upon the request of shareholders owning not less than 5% of the company's shares, and upon verifying the seriousness of the request, issue a decision to suspend General Assembly resolutions that:

- Are harmful to those shareholders;
- Favor a particular group of shareholders; or
- Confer special benefits upon Board members or others.

Such suspension shall be subject to the conditions set forth under Article (76) of this Law.

No request to suspend a General Assembly resolution shall be accepted after 30 days from the date of the resolution.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Interested parties must file an annulment lawsuit before the competent court within 30 days from the suspension decision, and must notify the Authority with a copy of the claim. Otherwise, the suspension decision shall be deemed null and void.

Chapter Two – Special Provisions for Types of Companies

Section One – Joint Stock Companies

Second – Management of the Company

3- The Board of Directors

Article (77):

The management of the company shall be undertaken by a Board of Directors consisting of not less than three members appointed by the General Assembly for a term of three years, in accordance with the procedures stipulated in the company's Articles of Association.

As an exception, the first Board of Directors may be appointed by the founders for a maximum term of five years.

The General Assembly may, at any time, remove the entire Board or any of its members, even if such removal is not included in the agenda.

A meeting of the Board shall not be valid unless attended by at least three members, unless the Articles of Association provide for a higher quorum.

Subject to the previous paragraph, Board members may delegate one another to attend meetings, provided that such delegation is made in writing and certified by the Chairman of the Board.

Article (77 bis):

The Articles of Association may stipulate that a minimum proportion of the share capital shall be represented on the Board of Directors. The Executive Regulations of this Law shall determine the rules, limits, and procedures governing such representation.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (78):

The company's Articles may include provisions for appointing alternate (reserve) members of the Board of Directors to replace original members in the event of absence or disqualification, in accordance with conditions defined by the Executive Regulations.

Article (79):

The Board of Directors may allocate responsibilities among its members in accordance with the nature of the company's business. The Board shall also have the authority to:

- Delegate one of its members, or a committee from among its members, to undertake one or more specific tasks, oversee certain aspects of the company's operations, or exercise certain powers or competencies vested in the Board.

- Appoint one or more members to carry out the actual day-to-day management of the company, and define the responsibilities of the Managing Director.
  The Managing Director must be fully dedicated to management duties.

Article (80):

The Board of Directors shall convene at the invitation of the Chairman or of a majority of the members if the chair is vacant.

One-third of the Board members may submit a written request to the Chairman to call a meeting. If the Chairman fails to issue the invitation within ten days from the date of request, the requesting members may call the meeting themselves, and shall notify the Financial Regulatory Authority in accordance with the rules set by the Executive Regulations.

In all cases, the meeting shall only be valid if attended by a majority of the Board members.

Unless the Executive Regulations or the company's Articles mandate that the meeting be held at the company's headquarters, the meeting may be held elsewhere or via modern communication technologies, including electronic signatures, as governed by the Executive Regulations.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (81):

Minutes of the Board of Directors' meetings must be recorded regularly after each session in a special register, and signed by the Chairman and the Secretary.

This register shall be subject to the same conditions and requirements applicable to the General Assembly's record books.

Article (82):

The Board of Directors may appoint a General Manager from outside the Board to head the company's executive management.

The General Manager may be invited to attend Board meetings without having voting rights.

The General Manager shall perform duties under the supervision of the Managing Director or the Chairman if the latter is responsible for actual management. The General Manager shall be accountable to them.

Article (83)

[Repealed]

Article (84):

Employees in joint-stock companies established in accordance with the provisions of this law shall have a share in the management of these companies. The executive regulations shall define the methods, rules, and conditions for employee participation in management. The company's bylaws must specify one of the methods of participation included in the executive regulations.

Article (85):

The Board of Directors shall appoint from among its members a Chairperson. It may also appoint a Vice Chairperson to act in place of the Chairperson during their absence.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The Board may entrust the Chairperson with the duties of the Managing Director.

The company shall be represented before the judiciary by the Chairperson of the Board or the CEO, according to the company's bylaws. The company's bylaws and internal regulations shall define the other powers granted to the Chairperson, the CEO, the members, and the employees.

Article (86):

In the event of a vacancy in the position of a member of the Board of Directors, the person who received the next highest number of votes in the last board election shall replace the departed member. The term of the new member shall be complementary to that of their predecessor. In other cases, the Board shall appoint a replacement until the next General Assembly meeting.

If the vacant seat belongs to a representative of a legal entity, a replacement shall be nominated by that entity within one month from the date the seat becomes vacant.

If more than one-third of the Board seats become vacant, the remaining Board members must immediately call for a General Assembly meeting to elect replacements. This meeting must be held within no more than thirty days. The executive regulations of this law shall define the procedures and conditions for this process.

Article (87):

Every company must annually prepare a detailed list, certified by the Chairperson and the Managing Director, of the names, titles, and nationalities of the Chairperson and members of the Board of Directors.

The company shall retain a copy of this list and send the original to the competent administrative authority before January 1 of each year.

The company must notify the competent administrative authority of any changes to the list immediately upon their occurrence.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (88):

The company's bylaws shall specify how to determine the remuneration of the Board of Directors.

The board's remuneration based on profits may not exceed 10% of the net profit after deducting depreciation, legal and statutory reserves, and distributing a minimum of 5% of the capital to shareholders and employees, unless the company's bylaws set a higher percentage. The General Assembly shall determine fixed salaries, attendance allowances, and other benefits for board members.

Exceptionally, the remuneration and salaries of the Managing Director shall be determined by a decision of the Board of Directors.

Article (89):

No one may serve as a member of the Board of Directors of any joint-stock company if they have been convicted of a felony or misdemeanor involving theft, fraud, breach of trust, forgery, bankruptcy, or any of the penalties outlined in Articles 162, 163, or 164 of this law.

Article (90):

No person may be appointed as a board member of a joint-stock company unless they submit a written acceptance, including their age, nationality, and names of companies where they have worked during the past three years, specifying the type of work.

No person may be appointed as a board member in a company that manages or operates a public utility without obtaining approval from the relevant minister or the authority's supervisory minister.

Decisions of the General Assembly or Board regarding such appointments must be sent by registered mail to the minister within fifteen days of issuance.

Failure to object within thirty days of receiving the notification is considered implicit approval.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article 91

(Repealed)

Article 92

(Repealed)

Article 93

(Repealed)

Article 94

(Repealed)

Article (95):

No board member of a joint-stock company may permanently perform any technical or administrative work of any kind for another joint-stock company unless authorized by the General Assembly of the company where they serve as a board member.

Article (96):

A company may not provide a cash loan of any kind to any of its board members or guarantee any loan contracted by them with third parties.

Exception: Credit companies may lend to board members, open credit lines, or guarantee their third-party loans under the same conditions applied to the general public.

An auditor's report confirming compliance with these rules must be made available to shareholders at least five days before the General Assembly.

Any contract in violation of this article is void, without prejudice to the company's right to claim compensation.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (97):

Any board member or company manager with a conflict of interest in a transaction presented to the board for approval must disclose it to the board, and such disclosure must be recorded in the meeting minutes.

They are prohibited from voting on the resolution regarding the transaction.

The board must inform the next General Assembly of the transaction before voting on resolutions.

Article (98):

A board member or director of a joint-stock company may not engage, on their own behalf or on behalf of others, in any branch of business the company engages in without prior authorization from the General Assembly. Otherwise, the company may claim damages or consider those operations as conducted on its behalf.

Board members may not exploit or disclose company secrets acquired through their board membership in a way that harms the company's financial position or commercial activities.

Without prejudice to liability for damages, the Board may, with the authority's opinion and unanimous approval (except the violating member), suspend the member's board membership from the date the violation is confirmed until the next General Assembly, which will decide whether to continue their membership.

Article (99):

During the first five years following its incorporation, none of the company's founders, nor any of its board members at any time, may be a party to any related-party transaction presented to the Board for approval unless previously authorized by the General Assembly.

Any contract made in violation of this article is void.

Article (100):

The Board of Directors or any of the company's managers may not enter into a related-party contract with another company where one of the board members or managers also serves as a board member or manager, or where the shareholders of the company hold a majority of capital, if such contract is voidable under the next paragraph.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Any such contract in which the company suffers a loss of more than 5% of value at the time of contract is void, without prejudice to the company's or stakeholders' rights to claim damages.

Subject to the final paragraph of Article 76 of this law, any related-party contract proven to harm the company or not serve its interests may be annulled, and shareholders may sue those responsible and claim back any illicit profits.

Article (101):

A joint-stock company may not make any kind of donation to a political party; otherwise, the donation shall be null and void.

A company may not donate in any financial year more than 7% of the average net profits of the previous five years unless the donation is made for employee welfare or to a government body or public institution.

For the donation to be valid, a decision must be issued by the board of directors based on a general authorization from the general assembly if its value exceeds one thousand Egyptian pounds.

Article (102):

Any decision by the general assembly does not nullify the civil liability of board members for faults committed during the performance of their duties.

If the act causing liability was presented to the general assembly through a report from the board or the auditor, the liability claim shall lapse one year from the date of the assembly's approval of the board's report.

However, if the act constitutes a felony or misdemeanor, the liability claim shall only lapse with the lapse of the criminal claim.

The competent administrative authority and any shareholder may bring this claim.

Any clause in the company's articles waiving such claims or requiring prior approval from the assembly to file them is null and void.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (103):

A joint-stock company shall have one or more auditors who meet the conditions set by the Accountancy and Auditing Profession Law. They are appointed by the general assembly, which also determines their fees.

If multiple auditors are appointed, they are jointly liable. However, the founders appoint the first auditor.

The initial auditor serves until the first general assembly meeting.

The auditor appointed by the assembly serves until the next meeting and audits the financial year assigned.

The board cannot be delegated to appoint the auditor or set fees without a maximum limit.

If the company lacks an auditor for any reason, the board must promptly appoint one and present the matter to the general assembly.

The general assembly may replace the auditor upon a member's proposal, provided the auditor is notified and allowed to respond in writing or in person during the meeting.
Any appointment or replacement decision made in violation of this article is null and void.

Article (104):

An auditor may not simultaneously act as a company founder, board member, or be employed in any technical, administrative, or consulting capacity in the company.

They may also not be a partner, employee, or close relative (up to fourth degree) of anyone in such roles.

Any appointment in violation of this is null and void.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (105):

The auditor has the right to access all company books, records, and documents at any time and may request necessary information to perform their duties.

They may audit assets and liabilities.

If the board does not enable the auditor to exercise these rights, the auditor must record this in a report to the board, to be presented to the general assembly if the issue remains unresolved.

Article (106):

The board must provide the auditor with copies of all notifications and information sent to shareholders invited to the general assembly.

The auditor or a delegated accountant must attend the assembly, verify the validity of procedures, and express an opinion on all matters related to their audit duties, particularly the financial statements (with or without reservations) or returning them to the board.

The auditor's report, read aloud at the assembly, must include:

- Whether they obtained necessary information to perform their duties satisfactorily.
- Whether company accounting was regular; if branches exist, whether summaries of their operations were reviewed; and, for industrial companies, whether cost accounts were properly maintained.
- Whether the financial statements align with the books and summaries.
- Whether accounts contain all required data and reflect the true financial position and profit/loss.
- Whether the inventory was conducted properly and any changes from prior years.
- Whether the board's report aligns with the books.
- Whether any legal violations occurred that affected the company's operations or financial standing.

The auditor is liable for the accuracy of their report and may be questioned by any shareholder during the meeting.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (107):

An auditor of a joint-stock company may not serve as a director, board member, or engage in any technical, administrative, or advisory role in the same company within three years of leaving their post.

Any act in violation is null and void, and the violator must repay the received remuneration to the state treasury.

Article (108):

Without prejudice to their core duties, the auditor may not disclose company secrets learned during their work, whether at the assembly or elsewhere. Violation may lead to dismissal and liability for damages.

Article (109):

An auditor is liable to the company for damages caused by mistakes in their work.
If multiple auditors commit a joint error, they are jointly liable.

Civil liability claims lapse one year from the general assembly's review of the auditor's report unless the act is a crime, in which case criminal statutes apply.

The auditor is also liable to shareholders and bona fide third parties for damages caused by their mistakes.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (110):

Except for Articles 37, 77, 91, 92, and 93, all provisions applicable to joint-stock companies also apply to partnerships limited by shares, with specific provisions outlined in this chapter.

Article (111):

A partnership limited by shares is managed by one or more general partners, appointed and empowered by the incorporation contract.

These managing partners are subject to the same responsibilities as founders and board members in joint-stock companies.

Article (112):

Every partnership limited by shares shall have a supervisory board composed of at least three members, shareholders or otherwise.

The board may request management reports, review company records, inspect the cashbox, securities, legal documents, and company goods.

Article (113):

The supervisory board may express opinions on matters referred by the managers and may authorize actions requiring its consent under the company contract.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (114):

The general assembly may not engage in or approve transactions involving third parties or amend the company contract without the managers' consent, unless otherwise provided. The assembly represents the shareholders before the managers.

Article (115):

The company dissolves upon the death of the managing partner unless otherwise provided. If the contract is silent, the supervisory board may appoint a temporary manager for urgent business and must call for a general assembly within 15 days.

The temporary manager is only responsible for their agency.

Part Two – Special Provisions for Types of Companies

Chapter Three – Limited Liability Companies (LLCs)

Section One – Financial Structure

Article (116):

An LLC must have a capital determined by the partners in the incorporation contract, divided into equal shares.

This does not apply to companies already established.

Shares share equally in profits and liquidation surplus unless otherwise stated in the contract.

Shares are indivisible; if owned by multiple parties, the company may suspend rights attached to them until a sole representative is designated.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (117):

A register of partners shall be maintained at the company's headquarters containing data defined by executive regulations.

Partners and interested third parties may access it during working hours.

In January each year, a list of this data and any changes must be submitted to the competent authority and published in the designated bulletin.

Company managers are jointly liable for any damages resulting from inaccuracies in this register or list.

Article (118):

Shares may be sold by notarized deed or one with certified signatures, unless otherwise stated in the incorporation contract.

Remaining partners have the right of preemption on the same terms.

A seller must notify other partners through the managers.

If no one exercises their right within a month, the seller may proceed.

If multiple partners exercise the right, the share is divided proportionally.

Upon death, a partner's share transfers to their heirs.

Article (119):

If a creditor takes enforcement action against a partner's share, they must notify the company of the sale terms and the hearing date.

If no agreement is reached, the share is auctioned.

The judgment is unenforceable if the company presents another buyer within 10 days offering the same terms.

These rules also apply in case of partner bankruptcy.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (120):

The company is managed by one or more managers, appointed initially by the founders, then by the general assembly.

They may be appointed for a fixed term or indefinitely.

If there are multiple managers, a management board may be appointed with powers defined in the incorporation contract.

Managers may be removed by a three-quarters majority of the capital present at an extraordinary general meeting.

The ordinary general assembly may decide annually to renew or replace the manager(s).

Article (121):

Managers have full authority to represent the company unless otherwise stated in the incorporation contract.

Any decision restricting manager powers or changing them is not effective against third parties until five days after its commercial registry entry.

Articles 53 to 58 of this law, concerning the protection of those dealing with the company, apply as appropriate.

Article (122):

Managers of an LLC are subject to the same liability rules as directors of joint-stock companies.

Executive regulations define the required qualifications.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

If only one manager exists, they must notify the partners of any conflict of interest before executing any transaction.

Article (123):

If the number of partners exceeds ten, oversight must be assigned to a board of at least three partners, appointed in the incorporation contract.

They may be re-elected after the term ends.

This board may request reports from the managers, inspect records, audit financial statements and propose profit distribution, reporting to partners 15 days before the general assembly.

Article (124):

Members of the supervisory board are not liable for the actions or outcomes of the managers unless they were aware of the errors committed and failed to mention them in their report submitted to the partners' assembly.

Article (125):

Non-managing partners in companies without a supervisory board shall have the same oversight rights as general partners in general partnerships.

Article (126):

Partners holding at least one-quarter of the company's capital may call for a general assembly to convene and discuss specific matters stated in the call. The general assembly meeting shall not be valid unless attended by partners representing at least half of the company's capital, unless the articles of incorporation require a higher quorum.

Each partner has the right to attend the general assembly in person or delegate another partner (who is not a manager) to represent them and vote, unless otherwise stated in the articles of incorporation.

The proxy must be in writing.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Each share entitles the holder to one vote, even if stated otherwise in the articles. Absent partners may vote in writing.

Resolutions of the general assembly are passed by a majority of votes, unless the law or the articles state otherwise.

Article (127):

The articles of incorporation may not be amended, nor may the capital be increased or reduced, except with the approval of a numerical majority of partners holding three-quarters of the capital.

Article (128):

The provisions relating to auditors, inventory procedures, and financial statements applicable to joint stock companies shall also apply to limited liability companies and single-person companies.

The financial statements must include, in particular, details of debts owed by partners to the company and vice versa.

These financial statements must be filed with the Commercial Registry Office within fifteen days of preparation, and any concerned party may request to review them.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (129):

If the company incurs losses amounting to half of its capital, the managers must present the matter of dissolution to the general assembly. A resolution to dissolve requires the same majority needed to amend the articles of incorporation.

If losses reach three-quarters of the capital, partners holding one-quarter of the capital may request dissolution.

If losses reduce the capital below the minimum prescribed by the Executive Regulations, any concerned party may request the company's dissolution.

Article (129 bis):

As an exception to Article 505 of the Civil Code, any natural or legal person (within the scope of their permitted purposes) may establish a Single-Person Company under the provisions of this chapter. Such a company shall be limited liability.

Without prejudice to laws allowing certain entities to establish companies alone, if the founder is a public legal entity, approval from the Prime Minister or relevant Minister is required.

The company is established and acquires legal personality upon registration in the Commercial Registry.

Where no specific provision exists, the rules governing limited liability companies apply.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (129 bis 1):

A Single-Person Company is established upon application by its founder or representative to the competent authority.

The company must have bylaws specifying its name, purpose, founder's details, duration, management, headquarters, branches (if any), capital, liquidation rules, and other data set by the Executive Regulations.

The Executive Regulations determine the minimum capital, which must be fully paid at the time of incorporation.

Contracts and transactions made by the founder in the company's name prior to incorporation are binding on the company if necessary for its establishment.

Article (129 bis 2):

Single-Person Companies are prohibited from:

- Establishing another Single-Person Company.
- Public subscription, whether at incorporation or capital increase.
- Dividing the company's capital into tradable shares.
- Borrowing by issuing tradable securities.
- Engaging in insurance, banking, savings, deposit-taking, or investing funds on behalf of others.

Article (129 bis 3):

The founder of a Single-Person Company is responsible for all its affairs and may in particular:

- Amend the articles of incorporation.
- Dissolve or liquidate the company in accordance with the law.
- Merge the company or convert it to another legal form.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- Increase or reduce the company's capital, not below the legally set minimum.
- Appoint one or more managers, define their authorities, approve their signatures, and designate who represents the company.
- Dismiss the manager or limit their powers.

  These actions are only effective against third parties upon registration in the Commercial Registry.

Article (129 bis 4):

As an exception to Article 4 bis of this law, the founder is personally liable with all their assets in the following cases:

- If they maliciously liquidate or cease the company's activity before its term or purpose is fulfilled.
- If they fail to separate their personal assets from the company's assets.
- If they enter into contracts or take actions in the name of the company under incorporation that are not necessary for its establishment.

Article (129 bis 5):

If the founder transfers all of the company's capital to another person (natural or legal), they must amend the company's data and commercial registration within 90 days of the transfer.

If only part of the capital is transferred, the company must adjust its legal structure accordingly within 90 days.

In all cases, the transfer is only effective against third parties upon registration in the Commercial Registry.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (129 bis 6):

The manager of a single-person company is obliged to exercise the care of a diligent person in the performance of their duties.

The manager may not manage another company of any kind if it engages in the same business activity as the company or one of its branches. Furthermore, the manager may not enter into a contract with the company they manage for their own benefit or on behalf of another party, nor may they conduct any business for others of the same type as the company.

Article (129 bis 7):

Joint-stock companies, partnerships limited by shares, and limited liability companies in which the number of founders or partners falls below the legal minimum may, if they do not rectify their status within the period specified in Article (8) of this law, convert into a single-person company — unless they engage in activities prohibited for single-person companies under Article (129 bis (2)) of this law.

This provision does not apply if the remaining partner is already a single-person company.

Article (129 bis 8):

Without prejudice to item (2) of Article (129 bis (4)) of this law, the founder of a single-person company may personally contract with the company under the terms and conditions specified in the executive regulations of this law, provided that such contracts do not result in a commingling of the founder's personal assets with those of the company and that the contract is concluded at a fair price.

Any concerned party or the competent authority may verify compliance with these provisions and take necessary measures in the event of a violation.

Article (129 bis 9):

A single-person company is dissolved and its legal personality terminated in the following cases:

- Loss of half the company’s capital, unless the owner decides to continue its operation.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- Dissolution of the legal entity that owns the company's capital.
- Placement of the owner under guardianship or loss of legal capacity.
- Death of the owner, unless the company passes to a sole heir or the heirs choose to continue its operation in the same legal form and rectify its legal status within six months from the date of death.

Part Three – Merger and Change of Company Form

1 – Merger

Article (130):

According to the final text of the article as amended by Article 3 of Law No. 4 of 2018:

By decision of the competent minister, joint-stock companies, partnerships limited by shares, limited liability companies, single-person companies, and general partnerships — whether Egyptian or foreign and operating mainly in Egypt — may be authorized to merge into or with Egyptian joint-stock companies and to form a new Egyptian company. For the purposes of applying the provisions of this law, company branches, agencies, and establishments shall be considered as merging companies.

The executive regulations shall determine how to evaluate the assets of companies wishing to merge, as well as the procedures, conditions, and requirements for the merger.

Article (131):

When issuing shares in exchange for the capital of the merging company, the actual value of the assets of both the merging and merged companies shall be taken into account.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (132):

The company into which the merger takes place, or the company resulting from the merger, shall be considered the legal successor of the merging companies. It shall legally assume all their rights and obligations to the extent agreed upon in the merger contract, without prejudice to creditors' rights.

Article (133):

Shares of the company resulting from the merger or shares issued in exchange for the capital of the merging company may be traded immediately upon issuance.

Article (134):

The merging companies and their shareholders, as well as the company into which the merger takes place or the resulting company, shall be exempt from all taxes and fees due because of the merger.

Article (135):

Without prejudice to Article 130, the merger shall be effected by a resolution of the extraordinary general assembly of each of the merging and merged companies or by the partners holding a majority of the capital, as applicable.

Shareholders who objected to the merger decision in the assembly or were absent with a valid excuse may request to exit the company and recover the value of their shares by submitting a written request to the company within thirty days from the date of the merger decision being published. The executive regulations will define the conditions and procedures for this request and how it is to be resolved.

The value of the shares or interests shall be determined by agreement or through the courts, taking into account the current value of all the company's assets.

The undisputed value of the shares or interests subject to exit must be paid to their owners before completing the merger procedures.

The courts may award compensation to affected parties where appropriate.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Amounts awarded shall have priority over all the assets of the merging company.

Article (135 bis):

A company may be divided into two or more companies, and each resulting company shall have its own legal personality upon registration in the commercial register.

In such cases, the procedures, conditions, and requirements for valuing in-kind contributions shall follow the same provisions as those set out in this law and its executive regulations.

Article (135 bis (A)):

Companies resulting from the division may take any legal form subject to the provisions of this law, except for single-person companies. This is allowed after completing the legal requirements for the new form, without being restricted by the legal form of the original company. The executive regulations specify the conditions and procedures for company division.

Article (135 bis (B)):

The division decision shall be issued by the extraordinary general assembly of the company or by the partners, as applicable, with a majority of three-quarters of the capital.

The division resolution must include the number and names of shareholders or partners, their respective shares in the resulting companies, their rights and obligations, and the distribution of assets and liabilities among them.

Article (135 bis (C)):

The companies created through division are considered successors of the original company and shall legally replace it to the extent of the assets and liabilities assigned to them under the division resolution, without prejudice to creditors' rights.

The procedures specified in Article 135 shall apply to shareholders or partners who did not approve of the division decision.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The executive regulations shall outline procedures to safeguard the rights of creditors and holders of bonds or financing instruments issued by the company.

Article (135 bis (D)):

Without prejudice to the provisions of the Capital Market Law No. 95 of 1992, shares of companies created through division may be traded immediately upon issuance, unless there are total or partial restrictions on trading such shares.

Part Three – Merger and Transformation of the Company

2 – Change of Company Form

Article (136):

According to the final text of the article as amended by Article 4 of Law No. 3 of 1998:

It is permissible to change the legal form of partnerships limited by shares or limited liability companies by a resolution of the extraordinary general assembly or the partners' group with a three-quarters majority of the capital, as applicable.

The transformation must comply with the formation procedures and conditions of the company form to which the transformation is taking place, as defined in the executive regulations.

Such a transformation must not violate the rights of the company's creditors.

Shareholders, partners, or holders of interests who opposed the decision or were absent from the meeting for a valid reason may request to exit the company under the terms specified in Article 135.

The companies undergoing legal form change, the newly transformed company, and their partners shall be exempt from all taxes and fees resulting from the transformation.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (137):

According to the final text of the article as amended by Article 3 of Law No. 4 of 2018:

A company is considered in liquidation upon its dissolution, expiration of its term, or termination for any reason other than merger or division.

Liquidation shall proceed according to the provisions of this law and the company's bylaws or articles of incorporation.

Article (138):

During the liquidation period, the company retains its legal personality to the extent necessary for the liquidation process.

The phrase "(under liquidation)" must be added to the company's name during this period. The company's governing bodies remain in place during liquidation, but their authority is limited to matters not falling within the liquidator's jurisdiction.

Article (139):

The general assembly shall appoint one or more liquidators and determine their remuneration. Liquidators may be selected from among the shareholders or partners or from outside them.

If a court ruling is issued for the dissolution or nullification of the company, the court shall determine the method of liquidation, appoint the liquidator, and specify their remuneration. The liquidator's work does not end upon the death, bankruptcy, insolvency, or legal incapacity of any of the partners, even if the liquidator was appointed by them.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (140):

The name of the liquidator and the partners' agreement regarding the liquidation method or the court ruling to that effect shall be published in the commercial register and in the Companies Gazette. The liquidator shall follow up on the publication procedures.

The appointment of the liquidator and the method of liquidation shall not be enforceable against third parties except from the date of publication in the commercial register.

Article (141):

The liquidator may be removed by the same method by which they were appointed.
The court may also, at the request of any shareholder or partner and for valid reasons, order the removal of the liquidator.

Any decision or ruling for removal must include the appointment of a replacement.

The removal shall be published in the commercial register and the Companies Gazette and shall not be enforceable against third parties until the date of its registration in the commercial register.

Article (142):

(Final version as amended by Article 4 of Law No. 4 of 2018)

Upon appointment, the liquidator shall immediately, in coordination with the board of directors or the managers, take inventory of the company's assets and liabilities. A detailed inventory list and financial statements shall be prepared and signed by the liquidator and the directors or board members.

The board of directors or managers shall submit their accounts to the liquidator and hand over the company's funds, books, and documents.

The liquidator shall keep a book to record all liquidation-related activities, and this book shall comply with the Commercial Books Law.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (143):

The liquidator shall take all necessary measures to preserve the company's assets and rights. They must collect the company's receivables from third parties. However, partners may not be required to pay the remainder of their capital shares unless needed for liquidation and provided all partners are treated equally.

Amounts received by the liquidator must be deposited into a bank account in the name of the company under liquidation within 24 hours of receipt.

Article (144):

The liquidator may not initiate new business activities unless necessary to complete previous ones.

If the liquidator undertakes new activities unrelated to the liquidation, they shall be personally liable for such activities with all their assets. If there are multiple liquidators, they shall be jointly liable.

The liquidator may not sell the company’s assets in bulk without authorization from the general assembly or the group of partners, as applicable.

Article (145):

The liquidator shall carry out all tasks required for the liquidation, especially:

- Settling the company’s debts.
- Selling the company’s movable and immovable assets by public auction or any other method, unless the appointment document specifies a particular method.
- Representing the company in legal proceedings, including conciliation and arbitration.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (146):

If there are multiple liquidators, their actions shall not be valid unless unanimously approved, unless the appointment document states otherwise.

This condition shall not be enforceable against third parties until its publication in the commercial register.

Article (147):

The company is bound by any act carried out by the liquidator in its name if such acts are necessary for the liquidation, even if the liquidator exceeds their authority or uses the company's name for personal purposes — unless the counterparty acted in bad faith.

Article (148):

Any debt arising from the liquidation process shall be paid from the company's funds with priority over other debts.

Article (149):

The liquidator's remuneration shall be specified in the appointment document; otherwise, it shall be determined by the court.

Article (150):

The liquidator must complete the liquidation within the period specified in the appointment document.

If no period is specified, any partner or shareholder may apply to the court to set a time limit for completing the liquidation.

This period may be extended by a decision of the general assembly or the group of partners after reviewing a report from the liquidator explaining the reasons for the delay. If the court originally set the period, any extension must be approved by the court.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (151):

Every six months, the liquidator must submit an interim report on the liquidation progress to the general assembly or the group of partners.

They must also provide shareholders or partners with requested information and data to the extent that it does not harm the company's interests or delay the liquidation process.

Article (152):

The liquidator must present a final report on the liquidation to the general assembly or the group of partners.

The liquidation process ends upon approval of the final report.

The liquidator shall then register the end of liquidation in the commercial register and the Companies Gazette. This shall only be enforceable against third parties from the date of publication in the commercial register.

After completing the liquidation, the liquidator must request the deletion of the company's registration from the commercial register.

Article (153):

The company's books and documents shall be kept for ten years from the date of its removal from the commercial register at the registry office where the company's head office is located, unless the general assembly or the group of partners designates a different location for their preservation.

Article (154):

The liquidator shall be liable to the company if they mismanage its affairs during the liquidation period.

The liquidator is also liable for compensating any harm caused to shareholders, partners, or third parties due to their mistakes.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (154Bis):

Lawsuits filed by shareholders or partners against each other are not admissible after five years from the end of liquidation. Likewise, lawsuits by third parties against shareholders or partners are inadmissible after the same period from the date of publication of the liquidation's end in the commercial register.

Lawsuits against the liquidator for errors committed during the liquidation are inadmissible after three years from the date of the error or from the date of knowledge of the error — unless the error involves fraud or deceit, in which case the right to file a lawsuit expires only after 15 years from the end of the liquidation.

Part Five – Supervision, Inspection, and Sanctions

1. Supervision

Article (155):

The competent administrative authority shall supervise the implementation of the provisions of this law and its executive regulations.

Technical employees of at least grade three at this authority, and at other bodies specified by the executive regulations, shall be granted judicial enforcement powers by a decree issued by the competent minister in coordination with the Minister of Justice.

They may inspect records, books, and documents at the company's premises or elsewhere, and company managers must provide all data, extracts, and document copies requested.

The competent authority may investigate complaints submitted by shareholders or other stakeholders concerning implementation of this law and its regulations.

Article (156):

Employees of the competent administrative authority mentioned in the previous article may attend general meetings of companies with special permission from the authority's head.

They have no voting rights and may only record proceedings and submit written observations.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The executive regulations shall define the procedures for such attendance and the method for presenting and processing observations.

Article (156Bis):

Companies subject to this law must annually submit a copy of their financial statements, approved by the general assembly, along with a data form to the Authority.

The executive regulations shall govern the means of submission and the form's contents.

Article (157):

Shareholders have the right to access the company's records and obtain copies or extracts under conditions specified by the executive regulations.

Any interested party may request access at the competent authority to documents, minutes, and reports related to the company and obtain certified copies.

Requests may be refused if disclosing the information could harm the company, another entity, or public interest.

The executive regulations determine these procedures and the applicable fees, which may not exceed EGP 100.

Article (157Bis):

Shareholders or partners holding at least 10% of the company's shares or stakes have the right to obtain information and document copies regarding related party transactions.

If the company refuses, they may submit a request to the Authority, and its decision on disclosure is binding and enforceable.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (158):

The competent administrative authority, and shareholders holding at least 20% of a bank's capital or 10% of any other joint-stock company's capital, may request an inspection concerning serious violations by board members or auditors.

The request must be submitted to the Minister of Economy, who forms a committee including a representative from the Central Auditing Organization.

The request must include evidence suggesting valid reasons for inspection.

Shares must be deposited with the request and kept until the issue is resolved.

The committee, after hearing both parties in a closed session, may order an inspection and appoint experts for this task. It may also require deposit of funds to cover inspection costs before the general assembly convenes.

Inspection may extend to records of other companies related to the one under inspection.

Article (159):

Board members, employees, and auditors must provide all books, documents, and explanations required by the inspection team.

Anyone refusing such requests shall be penalized under Article 163.

Inspectors may interrogate anyone related to the company under oath.

Article (160):

Inspectors must submit a detailed report to the committee within the set period, or within one month from the deposit of the required inspection fee.

If the committee finds the claims to be false, it may order publication of the report or its summary in a daily newspaper and require the complainants to pay the inspection costs.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

If the violations are proven, the committee shall take urgent measures and immediately call a general assembly meeting, chaired by the head of the competent authority or their appointee.

The company bears inspection costs in this case but may recover them from the responsible parties along with compensation.

The general assembly may vote to dismiss the board members or auditors and initiate legal action against them.

Board members dismissed in this manner may not be re-elected for five years.

Article (160Bis):

One or more grievance committees shall be formed by the competent minister to review administrative decisions issued by the Authority under this law.

Each committee is chaired by a Deputy President of the State Council and includes two State Council members (at least rank of Counselor), and two others: one with expertise and another from the senior management of the Authority, appointed by the competent minister.

Grievances must be submitted within 15 days of notification.

The committee may contact relevant parties, request documents, and consult experts.
It shall issue a binding decision within 60 days.

A technical secretariat for the committee is formed by the minister's decree.

The executive regulations define grievance procedures, committee operations, and meeting locations.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (161):

Without prejudice to the right to claim damages, any act, transaction, or decision in violation of mandatory provisions of this law or made by boards or assemblies not properly constituted is void — without affecting bona fide third parties.

The court may grant a grace period of up to six months to correct the defect if possible.

If multiple parties are responsible for the defect, they are jointly liable for compensation.

Lawsuits for nullity must be filed within three years of knowledge of the decision, except in cases of fraud or deceit, where the period extends to 15 years.

Article (162):

Without prejudice to stricter penalties under other laws, anyone committing the following shall be punished with imprisonment of not less than two years and a fine between EGP 2,000 and 10,000, or one of these penalties:

- Deliberate false statements in prospectuses for shares or bonds.
- False declarations by founders of LLCs regarding capital distribution or payment.
- Partners inflating the value of in-kind shares.
- LLC founders or managers inviting public subscription.
- Board members distributing profits contrary to the law, or auditors approving such actions.
- Auditors or office staff submitting false reports or hiding essential facts.
- Public officials disclosing company secrets or falsifying reports.
- Anyone falsifying company records or presenting misleading reports to influence general assembly decisions.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (163):

A fine of EGP 2,000–10,000 is imposed personally on violators in the following cases:

- Illegal transactions of founders' shares or stocks.
- Unauthorized appointment or continuation of board members or auditors.
- Failure of board members to deposit required shares or submit required statements, or inclusion of false data in reports.
- Violating Egyptian representation quotas on boards or among employees.
- Violating any mandatory rule in this law.
- Obstructing access to company documents by inspectors.
- Board members deliberately delaying general assembly meetings.

Article (164):

In cases of repeat offenses or failure to rectify violations after final conviction, fines under the previous two articles shall be doubled.

Article (164Bis):

The competent minister may reconcile with offenders under Article 163 at any stage of criminal proceedings, upon payment of at least double the minimum fine, depending on the severity of the offense.

Reconciliation terminates criminal proceedings for the relevant offense, and if it occurs during sentence execution, the Public Prosecution shall order suspension of the sentence.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Part Six – Branches and Representative Offices of Foreign Companies in Egypt

1. Branches and Similar Entities

Article (165):

This section applies to foreign companies not headquartered or primarily operating in Egypt, but having a local presence such as a branch, industrial office, or administrative office. Agencies managing the company's affairs in Egypt shall be considered branches if:

- The company manages them directly or through its employees.
- The agent can sign contracts on behalf of the company.
- The agent holds the company's goods and disposes of them per company instructions.

Commercial agents not falling into these categories are not considered branches.

Article (166):

Foreign companies with business operations in Egypt must comply with commercial registration procedures and notify relevant authorities with data and documents as per executive regulations.

Branches must have an auditor under conditions defined by the regulations.

Article (167):

Foreign companies in Egypt may not appoint branch or office managers who do not meet the eligibility conditions in Articles 89, 177, 178, 179, and 180 of this law.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (168):

Contracts or transactions by the local branch manager bind the foreign company, provided they fall within the usual scope of branch operations.

This rule does not protect parties who knew or should have known that the manager lacked authority.

Article (169):

The executive regulations specify the conditions for submitting financial statements by foreign company branches or equivalents to the competent authority, and the required documents to accompany them.

Article (170):

Foreign company branches must comply with labor provisions in Articles 174–176.
Their employees are entitled to profit shares, as defined in Article 41 and the executive regulations.

Article (171):

The executive regulations govern the disclosure obligations of foreign company branches, including the parent company name and other relevant information.

Article (172):

The executive regulations shall specify the provisions applicable to branches of foreign companies and similar entities in the event of liquidation of foreign companies or the cessation of activity of a branch in Egypt.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Part Six – Branches and Representative Offices of Foreign Companies in Egypt

2. Representative Offices and Similar Entities

Article (173):

Foreign companies may establish in Egypt representation, liaison, or service offices, as well as technical or scientific offices, among others. These offices are limited to studying markets and production capabilities and may not conduct any commercial activity, including acting as commercial agents.

A special registry shall be created to record these offices with the competent administrative authority. Registration in, and deletion from, this registry shall be carried out in accordance with the conditions and procedures specified by the executive regulations.

The executive regulations shall also specify the registration fees, not exceeding one thousand Egyptian pounds, and the forms of supervision exercised by the competent administrative authority over these offices.

Part Seven – Final Provisions

1. Special Provisions Concerning the Company's Employees

Article (174):

The number of Egyptians employed in Egypt by companies subject to the provisions of this law must not be less than 90% of the total number of employees. Additionally, their wages must not be less than 80% of the total wages paid by the company.

Article (175):

The number of Egyptian technical and administrative employees in joint stock companies operating in Egypt must not be less than 75% of the total workforce. Moreover, the total wages and salaries paid to them must not be less than 70% of the total wages and salaries paid by the company to these categories of employees.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The same provisions apply to partnerships limited by shares, limited liability companies, and single-person companies, provided their capital exceeds fifty thousand Egyptian pounds.

Article (176):

As an exception to the previous two articles, the competent minister may authorize the employment of foreign workers, consultants, or specialists when qualified Egyptians are not available. Such authorization is granted for a specified period, and these individuals are excluded from the calculation of the prescribed percentages.

The competent minister or their delegate shall decide on applications for exceptions submitted by interested parties within two months of submission. If no decision is made within that period, the application shall be considered approved for one year or the requested period, whichever is shorter.

Part Seven – Final Provisions

2. Restrictions on Government Employees and Members of the Legislative Authority

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Article (177):

No person may combine any work in the government, public sector, or any public authority with membership on the board of directors of a joint stock company, participation in its incorporation, or working in it in any capacity—even incidentally or as a consultant—whether paid or unpaid, unless they represent one of these entities.

By exception, and notwithstanding other prohibitions in special laws, a person may be authorized to participate in the incorporation of a joint stock company or to act as a consultant with special permission from the competent minister.

They may also perform other tasks mentioned above, provided that such permission is granted by the Prime Minister and that it does not involve assuming the position of chairman of the board or managing director.

In all cases, permission shall be granted only after ensuring there is no conflict of interest or connection between the person's government position and the company, and that the permission does not interfere with the duties or integrity of the public office.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (178):

No minister or senior administrative official may, without special permission from the Prime Minister and before three years have passed since leaving office, act as a manager, board member, or perform any permanent technical, administrative, or consultancy work for any joint stock company that receives special advantages from the government—such as subsidies, guarantees, monopoly contracts, public works contracts, utility concessions, or rights to exploit natural resources.

Any action in violation of this article shall be deemed void, and the violator must return any compensation or salary received from the company to the state treasury.

Article (179):

A member of the People's Assembly (House of Representatives) or the Shura Council (Senate) may not be appointed to the board of directors of a joint stock company during their term of office, unless they are a founder, own at least 10% of the company's share capital, or previously held a board position before election.

Any action in violation of this article is void, and the violator must return any compensation or salary received from the company to the state treasury.

Article (180):

A member of a local popular council may not, in a personal capacity or on behalf of another, serve as a manager or board member, or perform—even incidentally—any work or consultancy for a joint stock company that operates a public utility located in the area of jurisdiction of the council, or that has a monopoly or public works contract with the local council.

Any action in violation of this article is void, and the violator must return any compensation or salary received from the company to the state treasury.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (181):

There must be at least two government representatives on the board of directors of any joint stock company guaranteed a minimum level of profits by the government.

These representatives shall be appointed by a decision of the Prime Minister upon the proposal of the competent minister.

Article (182):

Joint stock companies, partnerships limited by shares, and limited liability companies must amend their statutes or articles of incorporation to comply with the provisions of this law, its executive regulations, and the standard statutes and contracts issued in this regard, within a maximum period of one year from the date this law comes into effect.

Amendments shall be carried out in accordance with the procedures specified in this law and its executive regulations. The competent administrative authority shall present the amendments to the committee mentioned in Article (18) for review and decision.

The executive regulations shall determine the implementation procedures, and no fees shall be charged for such amendments.

Article (183):

(Repealed)

Article (184):

Branches of foreign companies and similar entities, as well as representation, liaison, or other types of offices, must adjust their status in accordance with the provisions of this law within three months from the date it comes into effect.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Translation of

the Executive Regulations of Companies Law Decree No. 96 of 1982

ترجمة اللائحة التنفيذية لقانون الشركات الصادر بالمرسوم رقم ٩٦ لسنة ١٩٨٢

6 July 2025

ANDERSEN

Minister of Investment and International Cooperation Decree No. 96 of 1982 Concerning the Issuance of Executive Regulations of the Law on Joint Stock Companies, Partnerships Limited by Shares, Limited Liability Companies, and Sole Proprietorship Companies,

In the name of the people President of the republic

Preamble

Having reviewed the Commercial Code;

And Law No. 55 of 1951 regarding Trade Names;

And Law No. 388 of 1953 regarding Commercial Books;

And Law No. 161 of 1957 concerning the General Regulations for Stock Exchanges;

And Law No. 43 of 1974 regarding the Investment of Arab and Foreign Funds and Free Zones;

And Law No. 34 of 1976 concerning the Commercial Register;

And the Labor Law issued by Law No. 137 of 1981;

And the Income Tax Law issued by Law No. 157 of 1981;

And the Law on Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies issued by Law No. 159 of 1981;

And Presidential Decree No. 133 of 1982 designating the competent Minister to implement the provisions of Law No. 159 of 1981;

And Minister of Economy Decree No. 375 of 1977 issuing the Executive Regulations of the Law on Investment of Arab and Foreign Funds and Free Zones;

And after consulting the General Authority for the Capital Market;

And based on the opinion of the State Council;

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

It has been decided as follows:

Issuance Provisions

Article (1):

The provisions of the Executive Regulations of the Law on Joint Stock Companies, Partnerships Limited by Shares, Limited Liability Companies, and Sole Proprietorship Companies issued by Law No. 159 of 1981 and annexed to this Decree shall come into force.

Article (2):

The following terms, wherever mentioned in the annexed Regulations, shall have the meanings indicated next to each:

- The Law: Law No. 159 of 1981 on Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies.
- The Minister: The Minister responsible for Investment.
- The Authority: The General Authority for Investment and Free Zones, except for the provisions of Section II of Chapter I and Articles (78, 94, 102, 138, 204, 300), which shall be enforced by the Capital Market Authority, each within the limits of its competence.
- The Administration: The Sector for Capital Companies at the General Authority for Investment and Free Zones.

Article (3):

This Decree shall be published in the Egyptian Gazette.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Part One: On the Incorporation of Companies

Chapter One: Incorporation of Joint Stock Companies and Partnerships Limited by Shares

Section I: General Provisions

Article (1):

Who Has the Right to Incorporate (Establish the Company):

Any natural person with full legal capacity or any legal entity whose objectives include establishing such companies may incorporate a joint stock company or a partnership limited by shares.

Except for sole proprietorship companies, the number of founders in a joint stock company must not be less than three. In a partnership limited by shares, there must be at least two partners, one of whom must be a general partner.

If the number of partners falls below the required threshold, the company must rectify this within six months or convert to a sole proprietorship company, with prior notification to the Authority. Otherwise, the company shall be deemed dissolved by operation of law, and the remaining partners shall be jointly liable with all their assets for the company's obligations during this period.

Article (2):

Model of the Preliminary Contract and Articles of Association

The model for the articles of incorporation and the statutes of both joint stock companies and partnerships limited by shares shall be as determined by a decree from the competent Minister.

Founders or partners must not omit any mandatory data, including the company's name, purpose, capital amount, number and classes of shares, nominal value, restrictions on transferability, and other mandatory elements.

Founders or partners may request exemption from some of these requirements before the committee mentioned in Article (18) of the Law, in cases of necessity as determined by the

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

committee.

The articles of incorporation shall specify the company's registered head office address. Any change must be registered; otherwise, actions may be legally taken at the last registered address.

Article (2 bis):

Agreement Regulating the Relationship Between Shareholders or Partners

Shareholders or partners may enter into an agreement to regulate their relationship either at or after incorporation.

Such agreement shall not be enforceable against others unless approved by the extraordinary general assembly with a majority of at least three-quarters of the capital, or a higher majority in the following cases:

- If it grants additional rights in voting, profit distribution, or liquidation.
- If it involves related party transactions.
- If it imposes restrictions on share transfer or company management.

Article (3):

Formal Requirements for the Preliminary Contract and Articles of Association

The articles of incorporation and the statutes of the company must be signed by the founders or their legal representatives.

They must be notarized or authenticated by the relevant notary office following approval from the committee mentioned in Article (18) of the Law.

Authentication fees shall be 0.25% of the issued capital, with a maximum of EGP 1,000, whether done in Egypt or through Egyptian authorities abroad.

All incorporation-related documents shall be exempt from stamp duties and other registration fees, including loan and mortgage contracts for one year from the registration date.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (4):

Attestation in Cases of Necessity or Urgency

In urgent cases as determined by the General Director of the Companies Administration, authentication may be carried out before him or a delegated employee, following payment of the required fees.

The authentication report must include:

- Name and title of the employee.
- Date and place of signing.
- Names and nationalities of signatories per their ID documents.
- Their capacity (original or representative), with proof of authority.

Agents may only sign if their power of attorney expressly authorizes signing the articles or statutes.

Article (5):

Trade Name of the Company

The company must have a trade name derived from its purpose. It may include the name or surname of one or more of its founders.

In partnerships limited by shares, the name must include one or more general partners.

A company may not adopt a name identical or similar to an existing company or one that may cause confusion regarding the type or nature of the company.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (6):

Without prejudice to other laws, the minimum issued capital shall be:

- For joint stock companies offering public subscriptions:
    - Issued capital must not be less than EGP 500,000.
    - Founders must subscribe to at least 50% of the issued capital or 10% of the authorized capital, whichever is higher.
    - At least 25% of the cash shares must be offered to the public.

- For companies not offering public subscription (including partnerships limited by shares):
    - Issued capital must not be less than EGP 250,000.
    - At least 25% of the capital must be paid in cash at incorporation.

These provisions do not apply to companies established before the law or approved by the Investment Authority before its enforcement.

Article (6 bis):

For companies with purposes including:

- Participating in capital companies or increasing their capital.
- Organizing, marketing, or underwriting securities.
- Trading in securities.

The issued capital must not be less than EGP 5 million, with at least 25% paid in cash at incorporation.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (7):

Par Value of the Share

The company's statutes shall determine the nominal value of each share, which must not be less than EGP 5 or more than EGP 1,000.

(This article does not apply to companies existing as of April 1, 1982.)

Article (8):

Company Identification in Correspondence and Printed Materials

All documents issued by the company must include its name followed or preceded by the phrase "Egyptian Joint Stock Company – S.A.E." or "Partnership Limited by Shares" as applicable, in legible characters, along with the registered head office and issued capital per the latest financial statements.

This applies to signage at headquarters, branches, and other places.

If the capital increases by up to 10% due to converting bonds to shares or distributing reserves, this increase need not be reflected in printed materials for one year or until they are replaced, whichever is sooner.

Article (9):

Conditions for Capital Subscription:

Subscription to the issued capital of joint stock companies and to the shares of partnerships limited by shares may be made either by offering the shares for public subscription or by subscription from founders, partners, or other individuals not covered by the definition of public subscription.

In all cases, for a subscription to be valid—whether public or private—the following conditions must be met:

- The subscription must be complete, i.e., covering all the company's shares representing its issued capital in joint stock companies, or all partnership shares and shares in partnerships limited by shares.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
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email info@eg.Andersen.com

- The subscription must be firm, unconditional, and immediate. If the subscription is conditional, the condition shall be void, and the subscription shall be valid and binding. If it is deferred, the term shall be void and the subscription deemed immediate.

- The subscription must be genuine and not fictitious.

- Each subscriber must pay at least the minimum percentage of the nominal value of cash shares as stipulated in Article 6 of this Regulation.

- The shares representing in-kind contributions must be fully paid up.

All of the above shall be subject to the detailed provisions in the following articles.

Part One: On the Establishment of Companies

Chapter One: Establishment of Joint Stock Companies and Partnerships Limited by Shares

Section Two: Establishment by Public Subscription

Article (10):

Definition of Public Subscription:

Shares shall be considered offered for public subscription when individuals not specifically identified in advance are invited to subscribe, or when the number of subscribers exceeds 100.

The portion of shares offered for public subscription must not be less than the thresholds set out in Article 6 of this Regulation.

A company shall be deemed a public subscription company even if the offered shares are not fully covered, provided that the uncovered portion is covered by the founders, a bank, or a licensed company established for this purpose.

This article does not prejudice the provisions of Article 11.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
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Article (11):

Minimum Subscription by Egyptians:

Upon establishment or capital increase of a joint stock company, 49% of the company's shares must be offered in a public offering reserved for Egyptian individuals or entities for a period of one month.

Exemptions:

- If Egyptian founders subscribe to the full 49% before the public offering.
- If Egyptians complete the 49% subscription during the public offering period.
- Joint stock companies established under the Law on Investment of Arab and Foreign Funds, to the extent permitted under that law for foreign ownership.

If the 49% quota is not fully subscribed, the company may still be established.

Article (12):

Prospectus and Its Content:

Shares may not be offered for public subscription without the approval of the Authority on the subscription prospectus.

The prospectus must include, at a minimum, all the data listed in Annex (2) of this Regulation.

Article (13):

Submitting the Subscription Prospectus to the Authority:

Before initiating the subscription, the founders shall submit the original subscription prospectus to the Authority, signed by all founders or their legal representatives.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

It must be accompanied by:

- An auditor's report verifying the accuracy of the data.
- The preliminary incorporation contract.
- The draft articles of association, all signed by the founders.

The submission is made against a receipt indicating the date of submission.

Article (14):

Completion of the Prospectus (Subscription Bulletin):

The Authority may object to the accuracy or sufficiency of the prospectus data within two weeks of its submission and may request additional or corrected data or documents.

These requests shall be addressed to the founders or their legal representatives and copied to the bank or company managing the subscription.

If two weeks pass from the prospectus submission (or from submission of the last required document) without objection, the founders may proceed with the public offering.

Article (15):

Amendment of the Subscription Prospectus Information:

If any material changes occur after the prospectus is submitted and before subscription is complete, the founders must submit an amendment request to the Authority within one week of the change.

Upon submission, the subscription shall be suspended for ten days. The founders must notify all subscribers and recipients of the prospectus of any amendments approved by the Authority within that period.

Maher Milad Iskander & Co.
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eg.Andersen.com
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Article (16):

Announcement of the Subscription Prospectus:

The approved prospectus, its amendments, and the auditor's report shall be published in two daily newspapers (at least one in Arabic) and in the Investment Gazette at least 15 days prior to the subscription opening, or within 10 days of approval of any amendments.

The Authority may provide copies of the prospectus and its annexes to the public upon payment of actual reproduction costs.

Article (17):

Promotion and Advertising of the Subscription:

After submitting the prospectus to the Authority, the founders may:

- Distribute advertisements, circulars, or letters related to the subscription,
- Distribute the prospectus,
- Survey stakeholders' interest in subscribing, after providing them with the prospectus.

All such materials must clearly state that the prospectus has been submitted to the Authority for approval.

Article (18):

Subscription Period:

Shares may not be subscribed if more than six months have passed since the Authority approved the prospectus.

However, the Authority may extend this period to one year upon a justified request by the founders.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (19):

Subscription Duration:

Subject to Article 11, the subscription period must be no less than 10 days and no more than 2 months from the subscription start date.

If the capital is not fully subscribed during this time, the Authority may allow an extension not exceeding another two months.

Article (20):

Entities Through Which Subscription Is Conducted:

Shares must be offered for public subscription through:

- A bank licensed by ministerial decision to receive subscriptions,
- A company established for this purpose, or
- A company licensed to deal in securities under its bylaws.

If the subscription is not fully covered, these entities may subscribe to the remaining shares and reoffer them to the public without being subject to:

- The 49% Egyptian ownership requirement,
- Restrictions on shares issued in exchange for in-kind contributions or held by these entities if they are founders,
- Trading restrictions on subscription certificates before or after company registration.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
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Article (21):

Subscription Certificates:

Subscription is made through certificates indicating the date of subscription and signed by the subscriber or their agent.

The certificate must include:

- Name of the company under formation
- Company type
- Capital and amount offered for public subscription
- Company's main purpose
- Authority approval date for the offering
- Details of in-kind contributions (if any)
- Type of shares
- Name of the bank or entity receiving funds
- Subscriber's name, address, nationality, and number of shares subscribed

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Article (22):

Closing the subscription period before the scheduled date and the method of share allocation to subscribers.

Subscription may close early once all shares are subscribed.

If subscriptions exceed the offered shares, allocation shall follow the method defined in the company's bylaws.

If no method is specified, shares are allocated proportionally to the number of shares requested, ensuring no subscriber is excluded. Fractions shall be rounded in favor of small subscribers.

Subscribers must return their certificates to the subscription entity to confirm share allocation and receive any excess funds.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (23):

The legal ruling on failing to fully subscribe to the offering:

The company may not be established if the subscription period (including any extension) ends without full coverage of the issued capital and if the entities in Article 20 do not cover the shortfall.

In this case, the bank that received subscription funds must refund them in full, including issuance fees, upon request.

Article (24):

Preparing a statement of the names of subscribers after the closing of the subscription period:

After subscription closes, the founders and the subscription management entity must prepare a list of subscribers including:

- Names
- Nationalities
- Addresses
- Amount paid
- Number of shares subscribed and allocated

This list must be submitted to the Authority within 15 days of subscription closure. Any concerned party may obtain a copy from the Authority upon payment of a fee determined based on actual preparation costs.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (25):

Deposit of Subscription Funds and Conditions for Withdrawal

The amounts paid by shareholders during the subscription process shall remain deposited with the bank responsible for offering the subscription or with the bank in which the contributions were made. These funds may not be withdrawn except upon submission by the company's legal representative of proof that the company's Articles of Association have been officially registered in the Commercial Register.

As an exception, the bank holding these funds must refund to the subscribers all amounts paid in the following cases:

- If a ruling is issued by the Summary Proceedings Judge appointing a person to withdraw and distribute the funds among the subscribers, in the event that the company is not established due to a fault of its founders within six months from the date the application for incorporation was submitted to the competent committee.

- If one year passes from the date of subscription closure without the founders or their representatives submitting an application for the incorporation of the company to the competent committee, proven by a negative certificate issued by the secretariat of said committee.

- If the subscription period, including any extension thereof, expires without full subscription coverage being achieved by any of the means stipulated by law and this Executive Regulation.

- If all the founders agree to withdraw from establishing the company and submit to the bank a notarized declaration to that effect with certified signatures.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
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Article (26):

Preliminary valuation of in-kind contributions:

If in-kind contributions, whether tangible or intangible, are included in the capital of a joint-stock company or a partnership limited by shares, or in the event of capital increase, the founders or the board of directors, as applicable, must conduct a preliminary valuation of such in-kind contributions. They may seek the assistance of experts, such as accountants or others, after providing them with all documents related to these contributions. The valuation must comply with the Egyptian Financial Valuation Standards and the Real Estate Valuation Standards, as applicable.

After signing the preliminary contract and sufficiently before the closing date of subscription for cash shares—or at an appropriate time for the board of directors, as the case may be—the founders or the board shall submit a request to the Authority to verify the accuracy of the valuation of the in-kind contributions.

The request must include all relevant data and facts concerning the in-kind contributions subject to valuation, including the name(s) of the partner(s) who provided them and a comprehensive overview of the company. The request shall be accompanied by a copy of the company's preliminary contract, draft Articles of Association, and the initial valuation report prepared by the founders or the board.

The concerned parties must pay the amount determined by the Authority for the valuation process and the fees of the specialized committee.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (27):

The committee responsible for valuing the in-kind share:

The request specified in Article (26) shall be referred to the committee mentioned in Article (25) of the Law, which shall be formed by a decision of the competent Minister upon a proposal by the CEO of the Authority. The committee is obliged to adhere to the accounting, economic, real estate valuation, and financial valuation standards applicable in Egypt. The committee must submit its report within sixty (60) days from the date it receives the documents.

If the in-kind contribution is owned by the State, a public authority, or a public sector company, a representative of public funds must participate in the valuation. This representative shall be nominated by the competent Minister pursuant to criteria established by the Prime Minister.

The committee's report must include a detailed description of the in-kind contribution, the name of its provider, the preliminary valuation made by the founders or board, the basis for that valuation, the committee's opinion on the preliminary report, and all other relevant data.

Article (28):

Distributing the committee's report to the subscribers and partners who are members of the founding assembly:

The founders or the board of directors, as the case may be, must distribute the valuation report prepared in accordance with Article (27) to the subscribers, founding shareholders, and members of the constitutive or extraordinary general assembly—depending on the context—as well as to the Central Auditing Organization if the in-kind contributions are owned by the State, a public legal person, or public sector or business sector companies. This must be done at least two weeks before the relevant assembly meeting.

Distribution may occur via registered mail to the concerned parties, or by depositing a copy of the report at the company's registered office and announcing its availability in two widely circulated daily newspapers. A copy must also be provided to any subscriber or shareholder upon request.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (29):

The authority of the founding assembly to approve in-kind contributions:

The constitutive assembly or the extraordinary general assembly, as applicable, shall have the authority to approve the valuation of in-kind contributions by a resolution passed by a two-thirds majority of the cash shares or quotas, excluding those owned by the providers of the in-kind contributions. Those providers shall not have voting rights on this matter, even if they hold cash shares or quotas.

If, after approval, it is revealed that the valuation of the in-kind contribution is more than 20% lower than the originally submitted value, the issued capital and number of in-kind shares must be reduced accordingly—subject to the minimum capital requirements in Articles (6) and (6 bis) of this Regulation—unless the provider of the in-kind contribution pays the difference in cash in exchange for cash shares, or opts to withdraw from the company.

Ownership of the in-kind contribution must be clearly established in favor of the contributor, free from dispute, and fully transferred to the company. In such case, the contributor shall be issued shares equivalent to the final valuation approved by the relevant assembly, and these shares shall be considered fully paid.

Article (30):

Other Powers of the Constitutive Assembly:

In addition to approving the valuation of in-kind contributions as per the preceding articles, the constitutive assembly is also responsible for approving the company's Articles of Association. The assembly may not amend the Articles except with the consent of the founders, provided that such amendments are approved by a numerical majority representing at least two-thirds of the issued capital.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The constitutive assembly shall also be responsible for approving the following matters, with resolutions passed by a majority of votes corresponding to the shares or quotas represented at the meeting:

- The founders' report on the process of incorporating the company and the expenses incurred during incorporation.

- Ratification of the selection of the first members of the board of directors or the general partners entrusted with management in partnerships limited by shares, as well as the members of the supervisory board, while observing the provisions in the Articles of Association concerning worker representation on the board.

- Ratification of the selection of the auditor and the determination of their fees for the company's first financial year, in addition to any tasks assigned to the auditor during the incorporation period.

Article (31):

Convening the Constitutive Assembly Meeting:

The founders or their representative shall call the constitutive assembly of the company to convene at the location specified in the subscription prospectus, within one month from the closing date of the share subscription for joint-stock companies, or from the end of the participation period in the case of partnerships limited by shares, or from the submission date of the valuation committee's report on in-kind contributions—whichever is earlier.

The notice of the meeting shall include the company's name, type, amount of capital, the date and time of the meeting, venue, and the quorum required for its validity. The notice must also specify the matters to be discussed during the meeting.

It shall also mention the date of a second meeting in case the first meeting lacks quorum, provided that the period between the two meetings does not exceed fifteen (15) days.

The announcement of the meeting must be published in two widely circulated daily newspapers, one of which must be in Arabic, at least eight (8) days prior to the meeting. Additionally, registered mail notices may be sent to subscribers or partners at the addresses listed in the subscription certificates or other relevant documents.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (32):

Quorum Requirements for the Constitutive Assembly Meeting:

For the constitutive assembly meeting to be valid, shareholders or quota holders representing at least half of the issued capital must be present.

If the required quorum is not met, a second meeting shall be called in accordance with Article (31), with notice published in a daily Arabic-language newspaper at least five (5) days prior to the scheduled date. This notice may also be sent via registered mail to those who did not attend the first meeting and must include the same details as in the original notice, with a note that quorum was not met initially.

The second meeting shall be valid if shareholders or quota holders representing at least one-quarter of the issued capital are present.

Article (33):

Right to Attend the Constitutive Assembly Meeting:

Every subscriber or quota holder has the right to attend the constitutive assembly meeting, regardless of the number of shares or quotas they hold. Representation is only allowed through a special written proxy issued in favor of another subscriber or quota holder.

Article (34):

Chairing and Secretarial Duties of the Constitutive Assembly:

The chairmanship of the constitutive assembly shall be assigned to the founder holding the largest share, provided they accept the role. In the event of a tie, the chair shall be selected by drawing lots. The assembly shall appoint a secretary and vote counters.

The secretary shall prepare minutes recording the quorum, a summary of the discussions, the events of the meeting, the resolutions adopted, the number of votes for and against each resolution, and any matters attendees request to be documented. A register of attendees, including subscribers and quota holders, shall be maintained, stating their presence either in person or by proxy.

The minutes and the attendance register must be signed by the chairperson, the secretary, and the vote counters.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (35):

Election of the First Board Chairperson and Appointment of CEO and General Manager:

The individuals whose appointment to the first board of directors or the supervisory board has been ratified by the constitutive assembly may elect a chairperson from among themselves. After consulting with the board member entrusted with actual management duties, they may also appoint a Chief Executive Officer (CEO) and a General Manager for the company.

Article (36):

Assignment of Necessary Tasks for Incorporation:

The constitutive assembly may assign certain members of the first board of directors or the supervisory board, as applicable, to carry out specific tasks necessary or required for the incorporation of the company. The assembly resolution must clearly define these tasks and the terms under which they are to be performed.

Part One: On the Formation of Companies

Chapter One: Formation of Joint Stock Companies and Partnerships Limited by Shares

Section Four: Formation of Companies by Means Other Than Public Subscription

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Article (37):

Incorporation Without Public Subscription:

It is permissible for the subscription in the capital of joint-stock companies or partnerships limited by shares to be limited to the founders only, or to the founders along with other parties who do not qualify as public subscribers. In such cases, the provisions of the following articles in this section shall apply.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (38):

Valuation of In-Kind Contributions in Non-Public Subscription Companies:

The valuation of in-kind contributions provided by the founders or partners shall be conducted in accordance with Articles (26) and (27) of this Regulation.

Article (39):

Filing the Committee's Report on In-Kind Contributions:

The report of the committee responsible for valuing in-kind contributions shall be deposited at the company's temporary headquarters. The founders must also send the report to the Central Auditing Organization if the in-kind contributions are wholly or partially owned by the State, a public authority, or a public sector company.

This must be done at least seven (7) days prior to the scheduled signing date of the Articles of Association by the shareholders or quota holders. Each of them shall have the right to obtain a copy of the report.

Article (40):

Preparation of a Statement of Incorporation Expenses:

A detailed statement must be prepared listing the expenses incurred during the incorporation of the company, as well as any transactions carried out on behalf of the company under incorporation, including their value, parties, subject matter, and all related data. This statement shall be deposited at the company's temporary headquarters within the same time frame as mentioned in the previous article. Shareholders and quota holders may obtain a copy thereof.

Article (41):

Depositing Incorporation Funds with a Bank:

Amounts paid by shareholders or quota holders must be deposited with a bank licensed by the Minister for this purpose. These funds may not be withdrawn except upon submission of evidence, by the company's legal representative, that the company's Articles of Association have been officially registered in the Commercial Register.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

However, the bank must refund the amounts paid by shareholders or quota holders in the following cases:

- If a ruling is issued by the Summary Proceedings Judge appointing a person to withdraw and distribute the funds among the shareholders or quota holders, in the event that the company is not incorporated due to a fault of the founders within six months from the date of submitting the incorporation application to the competent committee.

- If one year has elapsed from the date of signing the company's Articles of Association without submitting an application for incorporation to the competent committee, as proven by a negative certificate from the committee's secretariat.

- If the founders decide not to proceed with incorporation and notify the bank with a notarized declaration bearing certified signatures.

Article (42):

Signing the Articles of Association:

The Articles of Association must be signed by all shareholders, in accordance with Articles (3) and (4) of this Regulation.

The Articles must include the value of in-kind contributions as valued under Article (38), the names of the first board members or directors and the supervisory board (if applicable), the appointed company auditor, and a declaration that each shareholder has reviewed the committee's valuation report on in-kind contributions and the list of incorporation expenses.

Article (43):

Assignment of Tasks on Behalf of the Company Under Incorporation:

The founders may appoint one or more of themselves to perform certain tasks on behalf of the company under incorporation, either through a specific provision in the Articles of Association or through a separate agreement. The tasks and the conditions under which they are to be carried out must be specified in the instrument of appointment.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (44):

Documents to Be Attached to the Incorporation Notification:

The founders of joint-stock companies and partnerships limited by shares—or their representatives—must notify the Authority of the establishment of the company, accompanied by the following documents:

- A copy of both the company's preliminary contract and its duly certified Articles of Association.
- Approval from the competent authorities if any of the company's intended activities require special permissions under applicable laws.
- A certificate from the Commercial Registry confirming that the company's trade name does not conflict with any other registered company name.
- A certificate proving the completion of subscription to all company shares or quotas and that at least one-quarter of the issued capital has been deposited with an approved and licensed bank.
- Authorization from the competent authority if a founder or board member is a public servant or an employee of a public sector or public business sector company (applicable to joint-stock companies).
- A certificate from a licensed central depository and clearing company stating that the securities of the joint-stock company or partnership limited by shares have been deposited with said depository.
- A receipt confirming payment of a fee equal to one per thousand of the company's issued capital, with a minimum of EGP 100 and a maximum of EGP 1,000.

The standard incorporation notification forms must also include any other required information.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (45):

Additional Documents for Companies Offering Shares to the Public:

If the company being established (either a joint-stock company or a partnership limited by shares) has offered some of its shares for public subscription, the following documents must be submitted in addition to those mentioned in Article 44:

- The Authority's approval of the public offering or proof of submitting the original prospectus to the Authority, along with the lapse of two weeks without objection.
- Proof that issuance expenses or premiums do not exceed the limit set by the Authority.
- Minutes of the constitutive assembly meeting confirming approval of the Articles of Association, submission of in-kind contributions (if any), appointment of the board or supervisory board, and the auditor, as well as any other matters discussed at the meeting.

Article (45 bis):

Unified Electronic System for Incorporation and Post-Incorporation Services:

The Authority shall establish a unified electronic system to provide all services related to company incorporation and post-incorporation procedures. This system shall include required data, templates, and documents for all legal forms and regimes. It will be made available via the internet.

The Authority may also make this system accessible via mobile phones, tablets, or other devices upon activation.

This system shall be binding and recognized by all concerned authorities.

Parties wishing to incorporate a company must follow the below steps:

- Create an account on the Authority's electronic portal to access incorporation services.
- Complete the incorporation form specifying the legal form, applicable regime, and all required data and documents.
- Submit the incorporation application electronically and make any necessary amendments.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
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email info@eg.Andersen.com

- Pay all incorporation fees electronically in a single transaction, covering all relevant authorities.

- Use electronic signature for all forms.

The Authority will express its opinion regarding the company name at the time of application submission.

Article (46):

Register of Incorporation Applications:

The General Department for Companies shall maintain a register for incorporation applications for all company types.

Applications shall be recorded in chronological order with a serial number and include the name, authority, and address of the founding agent responsible for handling the procedures.

Each application shall have a dedicated file containing all related documents and correspondence.

A note of receipt shall be made on the application, indicating its registration number and date, number and type of attached documents, and a stamped copy shall be provided to the founding agent.

The administration may request additional documents from the applicant within ten (10) days of registration, limited to what is required by law and these Regulations.

Article (47):

Review and Referral of Incorporation Applications:

The administration shall receive and examine incorporation applications. If the documents are complete, the file must be referred to the committee mentioned in Article 48 within ten (10) days from the date of registration, along with a memorandum expressing the administration's opinion.

A note shall be made in the register indicating the date of referral, and the applicant shall be issued a certificate by the committee secretary noting the date of referral.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

If the documents are incomplete, the administration must notify the applicant within the same ten-day period.

Article (48):

Composition of the Committee:

A committee to review incorporation applications shall be formed by a decision of the Minister and shall include:

- At least one Deputy Minister – Chairperson
- A representative from the competent Department of Legal Opinion, with the rank of Assistant Counselor or higher
- Director General of the General Department for Companies
- A representative of the Capital Market Authority, nominated by its chairperson
- A representative of the General Authority for Investment, nominated by its Deputy Chairperson
- A representative of the Commercial Registry, nominated by its Director General
- A representative of the General Federation of Chambers of Commerce, nominated by its President

The administration shall serve as the secretariat of the committee. The Director General of the General Department for Companies shall serve as the committee rapporteur.

Article (49):

Committee's Jurisdiction to Approve or Object to Incorporation:

The committee shall review incorporation applications and issue approval if the application and attached documents meet the legal and regulatory requirements.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The committee may only object to incorporation with a justified decision in one of the following cases:

- If the company's preliminary contract or Articles of Association deviate from mandatory template provisions or contain illegal clauses. However, the committee may allow deviations upon request, provided no mandatory legal provisions are violated.
- If the company's objective or proposed activities are contrary to public order or morality.
- If one of the founders lacks the legal capacity to establish a company.
- If a board member or manager fails to meet the legal eligibility requirements.

Article (50):

Other Powers of the Committee:

In addition to its responsibilities under Article 49, the committee shall also be responsible for:

- Approving changes to the company's primary objective or the addition of new activities.
- Approving changes to the company's legal form as per Article 299 of these Regulations.
- Reviewing and authorizing—or rejecting—requests for company inspections.
- Reviewing amendments to Articles of Association in accordance with applicable laws.

Article (51):

Committee Meetings:

The committee shall meet upon invitation from its Chairperson at least once every two weeks or as needed. The invitation must include the meeting agenda and all relevant documents and memoranda.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

A quorum requires the presence of at least five members, including the Chairperson.

Resolutions are adopted by majority vote of attendees. In case of a tie, the Chairperson has the casting vote.

The Chairperson may invite experts or administrative representatives to attend without voting rights.

Article (52):

Recording Committee Meetings:

The minutes of each committee meeting shall be recorded in a special register and signed by the Chairperson, the Rapporteur, and the Secretary.

Article (53):

Communication of Committee Decisions:

The committee's Rapporteur shall notify the relevant authorities and concerned parties of the committee's decisions within seven (7) days from the date of issuance.

Article (54):

Request for Amendments or Comments by the Committee:

If the committee requests amendments or raises comments, the concerned parties must comply with the requested modifications within the period specified by the committee.

Otherwise, the committee will issue its decision on the application in its current state.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (55):

Committee's Approval of the Application:

If the committee approves the application, the founders or their representative shall be provided with a copy of the preliminary contract and Articles of Association, marked with the committee's approval and signed by the committee's secretary or representative, reflecting any amendments imposed by the committee.

If the company offers its shares for public subscription, the Authority must submit the committee's decision to the Minister within 15 days of issuance for approval.

Subject to Article 57, the notary public shall not formalize the company's incorporation contract or authenticate the signatures unless the contract or Articles of Association is marked with the committee's approval and sealed with the State's official stamp.

In the case of joint-stock companies offering shares to the public, the incorporation contract must be accompanied by the Minister's approval.

Article (56):

Committee's Rejection of the Application:

If the committee rejects the incorporation request for any of the reasons listed in paragraphs (a), (b), (c), or (d) of Article 49, the rejection decision must be reasoned. The Commercial Registry, the relevant office, and the concerned parties must be notified within **60 days** from the date the complete file was submitted to the committee.

The applicants may reapply once the reasons for rejection are addressed.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (57):

Deemed Approval After Sixty Days Without Decision:

Subject to Article 58, if sixty (60) days pass after the complete file has been referred to the committee without a decision being made, the application shall be deemed approved. The founders may proceed with incorporation procedures, provided they submit the following to the competent notary:

- A copy of the contract and Articles of Association, marked as received by the committee's secretariat.
- A certificate from the committee's secretariat confirming the date of referral and that no decision was made within 60 days.

If these documents are provided, the notary shall formalize the contract or authenticate the signatures accordingly.

Article (58):

Expiration of Time Limits for Companies Offering Shares to the Public:

If no decision is issued by the committee within sixty (60) days of receiving the complete application of a company that has offered shares to the public, the concerned parties may notify the Minister in writing within the fifteen (15) days following the end of the 60-day period.

The notification must be accompanied by a certificate confirming the date of referral to the committee.

The Minister shall then decide on the incorporation within sixty (60) days of receiving the notification, after consulting with the Authority. The decision shall be communicated to the concerned parties at the address specified in the notice. If no ministerial decision is issued within this period, the application shall be deemed approved.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (59):

Number and Liability of Partners:

A limited liability company shall consist of no fewer than two and no more than fifty partners. Each partner is liable only to the extent of their share in the capital.

Article (60):

Consequences of Falling Below or Exceeding the Legal Partner Limit:

If the number of partners falls below two, the company shall be considered dissolved by operation of law unless the minimum is restored within six months or the remaining partner applies to convert it into a single-member company.

If the number exceeds fifty, due to inheritance, bequest, or compulsory sale of shares, the partners must regularize the status of the company within one year, either by reducing the number of partners or converting it into a joint-stock company.

Failure to comply entitles any interested party to petition the court for dissolution.

Article (61):

Company Name:

A limited liability company may adopt a distinctive name, which may reflect its business purpose or include the name of one or more partners. In all cases, the phrase “Limited Liability Company” must be added.

The company may not adopt a name identical or confusingly similar to that of another existing company or that misrepresents the company’s legal form.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (62):

Disclosure in Correspondence and Publications

All contracts, documents, letters, invoices, advertisements, and printed materials issued by the company and addressed to third parties must bear the company name, preceded or followed by the phrase "Limited Liability Company" in legible print. The company's headquarters and capital (as per the latest financial statements) must also be disclosed.

This requirement applies particularly to signage at the company's headquarters, branches, and other locations.

Article (63):

Prohibited Activities:

A limited liability company may not engage in insurance, banking, savings, deposit-taking, or investment of funds on behalf of others, nor may it conduct any activity that the law reserves for another type of company.

Part One: On the Formation of Companies

Chapter Two: On the Formation of Limited Liability Companies

Section Two: On the Preliminary Contract and the Articles of Incorporation

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Article (64):

Templates of the Preliminary and Incorporation Contracts

The founders may draft a preliminary contract using a model issued by ministerial decree.

The incorporation contract must be signed by all partners using the model approved by the Minister. Deviation from mandatory clauses in the template requires the committee's approval (per Article 18 of the law). Outside the mandatory clauses, the partners may adopt all, part, or additional terms, provided they do not contradict the law or regulations.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (65):

Required Information in the Incorporation Contract:

The contract must include the following details:

- Names of the partners, their legal status (natural or legal persons), nationalities, and addresses/head offices.
- Company capital, number and value of shares.
- Distribution of shares among partners.
- For in-kind contributions: type, value, agreed price by other partners, contributor's name, and their share in return.
- Names of appointed managers (indicating whether partners or not), and optionally, their term of office.
- Names and term of supervisory board members (if the number of partners exceeds ten).
- Name(s) of the initial auditor(s).

Article (66):

Formalities of the Incorporation Contract:

All partners must sign the incorporation contract. Representation is allowed by special power of attorney.

Signatures must be authenticated, or the contract notarized, after approval from the committee under Article 18 of the law.

Signature authentication may also follow Article 4 of these regulations.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (67):

Minimum Capital and Share:

Without prejudice to Article 6 (bis), the capital of a limited liability company is as agreed upon by the partners in the incorporation contract and is divided into equal shares.

Article (68):

All shares must be fully subscribed and paid into an account opened in the company's name at a licensed bank. Rules for withdrawal or refund follow Article 41 of these regulations.

Article (69):

Partners may contribute cash or in-kind shares. Contributions of services or labor are not allowed.

In-kind shares must be valued by licensed experts depending on their nature. The expert report must detail the asset, encumbrances, valuation basis, and market value. All partners must review and sign the report to indicate approval.

Article (70):

A contributor of an in-kind share is liable to third parties for its stated value in the contract. If overvaluation is proven, the difference must be paid in cash. Other partners are jointly liable unless they prove ignorance of the overvaluation.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (71):

Founders—and managers in case of capital increase—are jointly liable to all stakeholders (even if otherwise agreed) for:

- Any part of the capital that was incorrectly subscribed, which they are deemed to have subscribed to by law and must pay upon discovering the error.
- Any unjustified increase in the value of in-kind shares, which they are deemed to have subscribed to and must pay for when proven.

Article (72):

The legal status of shares that were subscribed to improperly or issued in return for a non-genuine (fictitious) premium:

Shares improperly subscribed or issued against inflated in-kind contributions shall be distributed as follows:

- Among legally compliant partners in proportion to their capital shares.
  For capital increases, the shares go to managers (whether partners or not) equally.
  Fractions are rounded up.
- Partners may unanimously agree to an alternative distribution method.
- In all cases, the total number of partners may not exceed 50.
- Settlement must occur immediately upon discovery of invalid subscription or inflated share valuation.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (73):

Notification of Company Incorporation and Required Documents:

The founders of a limited liability company (LLC), or their legal representatives, must notify the competent authority of the company's incorporation. The notification must be accompanied by the following documents:

- A certified copy of the company's articles of incorporation.
- Approvals from competent authorities if any of the company's purposes require specific authorizations in accordance with applicable laws.
- A certificate from the Commercial Registry confirming that the company's trade name does not conflict with that of any other existing company.
- A receipt confirming payment of a fee equivalent to one per thousand (1‰) of the company's paid-up capital, subject to a minimum of EGP 100 and a maximum of EGP 1,000.

The incorporation notification form shall also include all other required information.

Part One: On the Formation of Companies

Chapter Two: On the Formation of Limited Liability Companies

Section Four: Procedures for Submitting Incorporation Applications and the Committee for Reviewing Applications

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Article (74):

Referral to Applicable Provisions:

The provisions governing the application review committee under Section V of Chapter I of these regulations shall apply to limited liability companies. Similarly, the procedures for registration and publication set out in Chapter III of Part I of these regulations shall also apply to LLCs, to the extent applicable to companies not incorporated by public subscription.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (75):

Registration of Articles of Incorporation with the Commercial Registry:

The articles of incorporation or the company's bylaws—depending on the case—must be registered with the Commercial Registry Office having jurisdiction over the company's principal place of business. A notarized or certified copy of the incorporation documents must be submitted, as required by law and these regulations.

A copy of the contract or bylaws is retained at the Commercial Registry Office, and the company is registered in the Commercial Register in accordance with applicable laws.

The company's board of directors or managers, as applicable, must deposit any subsequent amendments to the articles or bylaws at the same office. Such amendments must also be annotated in the Commercial Register and shall not be enforceable against third parties unless deposited and registered accordingly.

A copy of the Commercial Register entry, including any updates, must also be submitted to the competent authority.

Article (76):

Right to Obtain Certified Copies:

Any person may obtain from the competent Commercial Registry Office an official copy of the company's articles of incorporation and bylaws (as most recently amended) or a copy of the company's registration page, upon payment of the prescribed fee.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (77):

Legal Personality of the Company:

A company acquires legal personality from the date it is registered in the Commercial Register. It may commence its business activities from the date of registration. After this date, the company may not be invalidated due to any procedural defect in its incorporation.

Article (78):

Submission of Certified Documents to the Authority:

Within two weeks from the date of the company's registration, the competent Commercial Registry Office shall send certified copies of the articles of incorporation and bylaws, along with the registration certificate (indicating the registration date, number, and location), to both the General Authority and the General Department for Companies.

Article (79):

Publication of company-related documents and data in the Investment Journal:

Following submission of the required documents under the preceding article, the competent authority shall publish, at the company's expense, the following information in the Investment Gazette:

- The articles of incorporation or the company's bylaws, if any.
- The date of approval by the committee for the company's establishment, and the date and number of the ministerial decree approving its incorporation—if such decree exists—for companies offering shares to the public. If such approvals were not explicitly granted, this shall be stated.
- The date, number, and place of registration in the Commercial Register.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (79 bis):

Fees for services provided by the Authority to companies:

Companies established under the Law on Joint Stock Companies, Partnerships Limited by Shares, Limited Liability Companies, and Single-Person Companies shall pay to the Authority a service fee equivalent to one per thousand (1‰) of the issued or paid-up capital, depending on the type of company. This fee shall not be less than EGP 1,000 and shall not exceed EGP 10,000, or its equivalent in foreign currency.

Part Two: Special Provisions Relating to Types of Companies

Chapter One: Joint Stock Companies and Partnerships Limited by Shares

Section One: Financial Structure

First: Capital – Its Formation, Increase, Reduction, and Amortization
(1) Formation of Capital

Article (80):

Issued Capital and Authorized Capital:

Every company shall have an issued capital, and the company's bylaws may also stipulate an authorized capital.

In all cases, capital must be denominated in Egyptian Pounds (EGP), even if part of it is paid in a foreign currency equivalent.

Article (81):

Components of Issued Capital:

The issued capital shall consist of the aggregate nominal value of all types of shares issued by the joint stock company, plus the total value of general partner shares in partnerships limited by shares.

All shares and partnership interests must be fully subscribed, and this applies to any increase in the company’s capital.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (82):

Mandatory Payment of at Least One-Quarter of Cash Shares:

Each subscriber must pay, in cash or other legally accepted means, at least 25% of the nominal value of the cash shares upon subscription, in addition to any share premium or fees.

The board of directors or the managing partner(s), as the case may be, must require the payment of the remaining amount within ten years from the company's incorporation date.

Payment may not be made:

- by personal promissory notes from the subscriber
- through contribution of movable/immovable assets or intangible rights even if equal in value to the amount due
- by offsetting any debts owed to the subscriber by the founders

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Article (83):

Timeline for Payment of Remaining Share Value and Procedures in Case of Default:

If the cash shares are not fully paid, the remainder must be paid within ten years of incorporation, according to a schedule announced at least 15 days in advance.

Paid amounts must be endorsed on the share certificates.

In case of non-payment, the board or managing partners may sell the defaulting shareholder's shares without prior legal notice, for the shareholder's account and at their risk.

The original share certificates shall be cancelled and new ones issued to the buyer with the same serial numbers.

Sale proceeds may be used to cover expenses, and the shareholder may claim any surplus—or be liable for any shortfall.

This is without prejudice to the company's other legal rights against the defaulting shareholder.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (84):

Partner's Contribution in Partnerships Limited by Shares:

The general partner's contribution to a partnership limited by shares may consist of cash or in-kind assets.

In-kind contributions must be valued in accordance with these regulations.

Each general partner's share must be equal to the nominal value of the company's shares or a multiple thereof.

A general partner may not transfer their share or any portion thereof to third parties without the extraordinary general meeting's approval.

Article (85):

Method of Contribution by General Partners:

General partners must contribute their share under the same terms and schedule applicable to shareholders, whether in cash or in-kind.

Part Two: Special Provisions Relating to Types of Companies

Chapter One: Joint Stock Companies and Partnerships Limited by Shares

Section One: Financial Structure

First: Capital – Its Formation, Increase, Reduction, and Amortization
(2) Increase of Capital

Article (86):

Increase of Authorized Capital:

The authorized capital may be increased by a resolution of the extraordinary general assembly, based on a proposal by the board of directors or the managing partners in partnerships limited by shares.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (87):

Procedures for Increasing Authorized Capital:

The board of directors or the managing partner(s), as applicable, must include in their proposal to increase the authorized capital:

- all justifications for the proposed increase
- a business report for the year in which the proposal is made
- and the financial statements of the preceding year (if approved)

This proposal must be accompanied by a report from the auditor verifying the accuracy of the accounting data contained in the board's report.

Article (88):

Increase of Issued Capital:

The issued capital may be increased by a resolution of the board of directors or managing partner(s)—as applicable—within the limits of the authorized capital.

For such a resolution to be valid, the entire issued capital prior to the increase must be fully paid, unless an exception is granted by the Chairman of the General Authority for Investment (GAFI) for joint stock companies operating in the housing, industrial, or agricultural sectors, allowing them to increase capital before full payment of the existing issued capital.

In joint stock companies listed on Egyptian stock exchanges, capital increases must be approved by the ordinary general assembly, not the board.

In such cases, an amendment to the bylaws does not require an extraordinary general assembly resolution; the board is authorized to make the necessary amendments.

Article (89):

Deadline for Subscription in Increased Capital:

The subscription in new shares or interests resulting from an increase in the issued capital must take place within three years from the date of the capital increase resolution.

Otherwise, the resolution is deemed void unless renewed.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Exception:

Increases resulting from the conversion of bonds into shares may exceed the three-year limit if the bond issuance terms explicitly allow conversion beyond that period.

Article (90):

Means of Paying for Capital Increase:

An increase in issued capital shall be affected by issuing new shares at the same nominal value as those in the initial issuance, subject to Article 94 of these regulations.

The consideration for new shares may consist of:

- Cash amounts
- In-kind contributions
- Due monetary debts owed by the company to the subscriber
- Conversion of bonds into shares (subject to issuance terms)
- Conversion of founders' shares or profit shares into shares as compensation pursuant to Article 34 of the law.

Article (91):

Conversion of Reserve into Shares for Capital Increase:

Upon a proposal by the Board of Directors or the managing partner(s), as applicable, the General Assembly of the company may resolve to convert all or part of the company's reserves into shares, thereby increasing the issued capital.

The shares resulting from such increase shall be distributed free of charge among the existing shareholders or partners, each according to their ownership share.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (92):

Capital Increase via Preferred Shares:

The issuance of preferred shares or capital increase through preferred shares shall not be permitted unless approved by an extraordinary general assembly with a three-quarters majority of the company's shares prior to the increase. This must be based on:

- A proposal from the Board of Directors
- A report from the auditor explaining the justification for the issuance
- And an amendment to the company's bylaws pursuant to Article (35), paragraph 3 of the Companies Law

In all cases, no combination of voting privileges and liquidation proceeds preference shall be allowed for any class of shares.

Article (93):

Capital Increase through In-Kind Contributions:

If the capital increase includes in-kind contributions, they must be evaluated according to the procedures specified in these Regulations.

The Board of Directors or managing partner(s) shall assume the same responsibilities as the company's founders in the evaluation process.

The in-kind contributions must be approved by the General Assembly in accordance with the procedures stipulated in these Regulations.

A copy of the valuation report must be distributed to the shareholders or partners and the entities specified in Article 28 at least two weeks before the general assembly convenes.

Article (94):

Expenses and Share Premiums for Capital Increase:

New shares issued as part of a capital increase shall be priced at their nominal value, plus issuance expenses, within the limits set by the Authority.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The Board of Directors may, except in cases of converting reserves into shares, add a share premium to the nominal value based on a report submitted by the auditor.

- The premium shall be added to the legal reserve until it equals half of the issued capital.

- Any excess shall be recorded in a special reserve, and the General Assembly, upon recommendation by the Board or managing partner(s), shall decide how it may be used without treating it as a distributable profit.

Article (95):

Granting Special Privileges to Existing Shares Before Capital Increase:

The company's bylaws may provide for granting certain privileges to existing shares before a capital increase—whether related to voting rights, dividends, or liquidation proceeds.

The extraordinary general assembly may approve granting all or part of these privileges based on:

- A proposal from the Board or managing partner(s),

- And a supporting report from the auditor.

Article (96):

Preemptive Rights of Existing Shareholders in Capital Increases:

The company's bylaws must stipulate the extent of preemptive rights granted to existing shareholders to subscribe to newly issued shares when the increase is made through cash contributions.

Such rights must not be limited to some shareholders without others, except as otherwise provided for preferred shares.

These rights may be traded separately or jointly with the original shares during the subscription period.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (97):

Minimum Subscription Period for Existing Shareholders:

The preemptive subscription rights of existing shareholders must remain open for a minimum of 30 days from the start of the subscription period.

However, this period may end earlier if the shareholders fully subscribe to their pro-rata shares before the 30 days expire.

Article (98):

Offering New Shares to the Public Without Preemptive Rights:

By a resolution of the extraordinary general assembly, and based on:

- A proposal from the Board or managing partner(s)
- And valid justification confirmed by the auditor in a formal report

the capital increase may be offered directly to the public, in whole or in part, without applying preemptive rights under Article 96.

Article (99):

Notifying Shareholders of the Capital Increase:

Shareholders must be notified of the capital increase via an announcement published in two daily newspapers, at least one in Arabic, no less than seven days before the subscription period begins.

The notice must include:

- Company name, legal form, and registered office address
- Amount of the capital increase
- Subscription start and end dates
- Preemptive rights and how to exercise them
- Value of the new shares

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- Name and address of the entity receiving subscriptions
- Details of any in-kind or partnership contributions, including valuation and allocated shares

If the company has not previously offered its shares to the public, it may notify shareholders via registered mail at least two weeks before the subscription opens, enclosing the above information.

Article (100):

Proof of Subscription:

Subscription in new shares shall be evidenced by a subscription certificate that includes:

- Date of subscription
- Name, nationality, and address of the subscriber
- Number of shares in letters and figures
- Subscriber's signature or that of their representative
- All required data per Article 99, except items 6 and 7

A copy of the subscription certificate shall be given to the subscriber.

Article (101):

Subscription by Set-Off (Debt Compensation):

Subscription may be made by set-off between the subscriber's cash receivables from the company and the value of the subscribed shares.

This requires:

- A certified declaration from the Board (or its designee) confirming the debt
- Validation by the auditor
- Submission of the declaration with the original subscription certificate

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (102):

Public Offering Conditions for Capital Increase Shares:

If any part of the capital increase is offered publicly, the process must comply with Articles 9, 10, and 11 of these Regulations, whether:

- As unsubscribed shares after exercising preemptive rights, or
- As directly offered shares per Article 98

The rules of public incorporation via public subscription must also be followed.

Additional notes:

- The Board or managing partners have the same powers as founders under Articles 9–11
- The capital increase resolution must be filed with the Authority with the offering prospectus

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Article (103):

Withdrawal of Subscription Funds:

Funds raised through capital increase subscriptions may not be withdrawn until:

- A certificate is obtained from the commercial registry confirming the capital increase registration
- And the company or subscription bank confirms full subscription coverage

If the subscription is not fully covered in time, the bank must immediately refund all monies and issuance expenses upon request.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (104):

Notification to the Authority of Capital Increase:

Without prejudice to the Capital Market Law No. 95/1992, the Authority may only object to a capital increase if it proves:

- Fraud
- Harm to others or shareholders' rights
- Violation of Egyptian accounting standards
- Material breaches of the law or capital increase procedures

Any objection is recorded by the Commercial Registry.

The company must, within 15 days of receiving the objection:

- Remedy the cause
- File a grievance with the Appeals Committee and notify the Authority

If no decision is issued within 60 days of the grievance filing, the objection is deemed automatically lifted.

If the grievance is rejected, the Authority shall notify both the company and the Commercial Registry by registered mail with return receipt, including instructions for compliance.
The company has 10 days from notification to resolve the issue, failing which the Registry shall cancel the capital increase record.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (105):

Authority to Approve Capital Reduction:

A reduction in the issued capital requires a resolution from the extraordinary general assembly, based on a proposal from the Board or managing partner(s).
The company's bylaws must be amended accordingly.

The proposal must be accompanied by an auditor's report justifying the need for reduction.
The auditor must be given access to all required data and enough time to prepare this report.

Note: It is not required that the capital to be reduced is fully paid.

Article (106):

Methods for Capital Reduction:

The reduction resolution must specify the method to be used.

The Board or managing partners are tasked with implementation.

Permissible methods:

- Reducing the nominal value per share
- Reducing the number of shares
- Purchasing and cancelling some of the company's shares

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46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (107):

Limits of Capital and Share Value Reduction:

Capital reduction must not:

- Reduce the issued capital below the minimum limit stated in Article 6
- Or reduce the nominal value per share below the minimum in Article 7

Article (108):

Proportional Reduction of Shares:

If the capital reduction is made by reducing the number of shares, then the number of shares owned by each shareholder must be reduced proportionally.

Article (109):

Reduction via Share Repurchase and Cancellation:

If the company reduces capital by buying back and cancelling shares, it must:

- Offer to purchase equally from all shareholders via an announcement in at least one Arabic daily newspaper
- And notify shareholders at their addresses on record

The announcement must include:

- Company name, legal form, address, and issued capital
- Number of shares to be purchased
- Offered purchase price
- Payment terms
- Offer validity period (minimum 30 days)
- Location where shareholders can submit their intent to sell

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Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (110):

In the event that sale requests exceed or fall short of the quantity the company intends to purchase:

If shareholder requests to sell their shares exceed the amount the company intends to buy, the number of shares bought from each shareholder must be reduced proportionally to their ownership in the company.

However, if sale requests fall short of the desired amount, the board of directors or managing partner(s), as applicable, may either restart the process with an increased offer price or purchase shares from the market in a manner that best serves the company's interest.

Article (111):

Cancellation of Purchased Shares:

Within one month from the date the company obtains the shares required for capital reduction, it must cancel the acquired shares by annotating the share certificates in the company records, and must notify the stock exchanges accordingly.

Article (112):

Minutes of Executing the Capital Reduction Resolution:

The board of directors or the managing partner(s), as applicable, shall draft minutes detailing the procedures taken to implement the extraordinary general assembly's resolution to reduce the capital.

A copy of the resolution and the minutes must be submitted to the administrative authority for verification of the procedures. Approval must be annotated on the documents to amend the commercial register accordingly.

In all cases, the company's articles of incorporation or statutes must be amended to reflect the capital reduction, and the amendment must be published in the Investment Gazette at the company's expense.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (113):

Effect of Capital Reduction on Creditors' Rights:

Creditors whose rights arose prior to the publication of the capital reduction resolution (as per Article 112) and the legal representative of bondholders may object to the reduction unless it is due to company losses.

The company may settle with objecting creditors or provide adequate guarantees for their claims. If the creditor rejects the company's offer, they may resort to court for protection.

Creditors whose rights arise after the publication of the reduction resolution have no right to object.

Part Two: Special Provisions Relating to Types of Companies

Chapter One: Joint Stock Companies and Partnerships Limited by Shares

Section One: Financial Structure

First: Capital – Its Formation, Increase, Reduction, and Amortization

(4) Redemption of Shares

Article (114):

Amortization of Shares and Its Effect on Capital:

Under Article 35 of the Law, shares may be amortized through a specific provision in the company's statutes. The value of amortized shares must be paid from distributable profits or reserves.

Amortization does not result in a capital reduction.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (115):

Methods of Amortization:

Amortization may be done by either:

- Repaying the nominal value of selected shares annually by drawing lots until the company's term ends.
- Repaying part of the nominal value of all shares annually over a timeframe defined by the company's statutes.

In all cases, amortization and payment must be equal for each type of share.

Article (116):

Effect of Amortization on Dividend Distribution:

If a company has types of shares that are amortized gradually and others fully (via lottery), any share that is fully or partially amortized loses its dividend rights proportionally after amortization, subject to Articles 117 and 118.

Article (117):

Conversion of Shares to Enjoyment Shares:

If a company's statutes require share amortization before the company's term ends due to its activity being tied to a finite resource (e.g., natural resources or a public utility), fully amortized shares shall convert into enjoyment shares.

Article (118):

Rights of Enjoyment Shares:

The holder of an enjoyment share is entitled to a share in profits as specified in the company's statutes. The statutes may also entitle them to a share in liquidation proceeds after the capital is returned to ordinary shareholders.

Otherwise, enjoyment shares carry all other rights of regular shares within the limits set by the statutes.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Part Two: Special Provisions Relating to Types of Companies

Chapter One: Joint Stock Companies and Partnerships Limited by Shares

Section One: Financial Structure

Second: Securities Issued by the Company

Article (119):

Types of Financial Instruments Issued:
The financial instruments issued by the company include:

- Shares
- Founders' shares
- Profit-sharing shares
- Bonds

All of which must be registered (non-bearer) instruments.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (120):

Procedure for Transfer of Ownership of Securities:

Without prejudice to the Capital Market Law No. 95 of 1992, securities issued by the company are transferred by recording the transfer in the company's share register at its headquarters, based on a signed declaration of transfer by both parties or their authorized representatives.

For transfers via inheritance or bequest, the heir or legatee must request registration of the transfer. For transfers based on a final court ruling, the transfer is recorded accordingly. All securities must be marked with the name of the new owner, and both the stock exchange and the central depository must be notified.

Article (121):

Timeframe for Implementing Ownership Transfers:

The company must complete ownership transfer procedures within five days from the date of receiving complete documents regarding the transfer.

Article (122):

Ownership Registers:

These registers must consist of uniform sheets, written on one side only. Each shareholder has a separate page per type of financial instrument. Entries are made chronologically.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (123):

Content of Ownership Registers:

Registers must include all relevant ownership and transaction information, especially:

- Full names, addresses, and nationalities of current and previous owners
- Number and nominal value of transferred securities
- Types and characteristics of transferred securities (if multiple types are listed in one register)

Article (124):

Registers of the Names of Securities Holders:

If there are more than 100 holders of any class of security, the company must maintain alphabetical indexes listing names, addresses, type, and number of securities held, along with serial numbers.

If there is a conflict between the index and the official register, the register prevails.

Article (125):

Provisions Governing the Replacement of Securities:

If amendments to the company's statutes result in changes that affect the content of issued securities, the company may either issue new amended securities or annotate the original ones. The stock exchange must be notified in either case.

Article (126):

Procedures in the Event of Loss or Destruction of a Security:

In case of loss or damage, the company may issue a replacement security upon submission of proof and payment of actual replacement and notice costs, following the procedures of the stock exchange.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The replacement must be marked as such and annotated with all recorded transactions. The stock exchange must be notified, and a public notice must be published in the Investment Gazette.

Article (127):

Registration of Securities on the Stock Exchange:

For public offerings, the managing director or managing partners must list the company's shares on all Egyptian stock exchanges within one year from closing the subscription or within three months of publishing the financial statements of the third year (if shares weren't publicly offered).

Failure to comply renders them liable for compensating affected parties.

Part Two: Special Provisions Relating to Types of Companies

Chapter One: Joint Stock Companies and Partnerships Limited by Shares

Section One: Financial Structure

Second: Securities Issued by the Company

(b) Types of Securities

(1) Shares

Article (128):

Terms and Conditions of Shares:

Shares must be of equal nominal value and indivisible. If inherited by multiple heirs, they must authorize one person to exercise rights over the share.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (129):

Share Certificates:

Share certificates must come from a coupon booklet, be serially numbered, signed by two designated board members, and sealed with the company's stamp.

Certificates must include:

- Company name, address, purpose, duration, registration number/date/place
- Authorized and issued capital, number and types of shares
- Share type, nominal value, paid amount, and shareholder's name

Coupons must also be serially numbered and reference the parent share.

Article (130):

Share Denominations:

Share certificates may be issued in denominations of one share, five shares, or multiples thereof.

Article (131):

Rights and Obligations of Shareholders:

Without prejudice to the status of preferred shares or other specially designated shares, all shareholders shall have equal rights and obligations.

Shareholders are only liable for the nominal value of each share, plus issuance costs and any applicable premiums.

In no case may their liability be increased.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (132):

Preferred Shares and Their Conditions:

The company's articles of association may grant certain privileges to specific classes of shares concerning voting, dividends, or liquidation proceeds.

All shares of the same class must carry the same rights and restrictions.

The conditions governing preferred shares must be specified in the company's articles from the date of incorporation.

Article (133):

Amending Share Rights:

No change may be made to the rights, privileges, or restrictions of any class of shares without:

- A resolution by the extraordinary general assembly, and
- Approval from a special meeting of the shareholders of the affected share class, passed by a two-thirds majority of the capital represented by that class.

The procedures for calling this special meeting shall follow those for the extraordinary general assembly.

Article (134):

Trading of Subscription Certificates and Capital Increase Shares:

Subscription certificates may not be traded at a value higher than their issue price plus any issuance costs (if applicable) before the company is registered in the commercial register. Likewise, shares from a capital increase may not be traded until the company's registration details have been updated to reflect the increase.

All restrictions applicable to trading shares shall also apply to the trading of the related certificates.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (135):

Trading of Cash Shares:

Shares may not be traded until they are recorded in the commercial register.

However, if the capital increase results from converting bonds into shares, such shares may be traded immediately upon completion of the conversion procedures.

Article (136):

Trading of In-Kind Shares and Founders' Shares:

Without prejudice to Article (53) of Investment Law No. 72/2017, the following may not be traded until financial statements and accompanying documents have been published for two full fiscal years (each of at least 12 months), starting from the company's registration date:

- Shares issued in exchange for in-kind contributions
- Shares subscribed to by the company's founders

  This restriction also applies to capital increase shares issued in exchange for in-kind contributions.

During this period:

- Share coupons may not be detached from their original certificates
- A stamp must indicate the share type, incorporation date, and founding instrument—unless the company is registered under the central depository system
  Other shares may be traded according to the Companies Law, the Capital Market Law, and related regulations.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (137):

Exceptions for Transferring Founders' Shares:

By exception to the previous article, founders' shares (whether paid in cash or in kind) may be transferred:

- Among founders
- To a board member as collateral
- From heirs to third parties

Article (138):

Trading Shares Above Nominal Value:

Without prejudice to prior articles, shares may not be traded above their nominal value plus any issuance costs (if applicable) during the period after commercial registration and before publication of financials for a full fiscal year, unless the following conditions are met and verified by the Financial Regulatory Authority:

- Shares are listed on a stock exchange
- Shares are registered with a licensed central depository or record-keeping company
- The company publishes a report in two widely circulated daily newspapers (one in Arabic), detailing:
    - Founders' names, roles, and shares
    - Company activities, contracts, financial forecasts, and spending plans for raised capital

In the case of a merger, legal restructuring, or acquisition of a business, the report must include financial and operational details of the previous company or business for at least one year.

The report format must comply with templates provided by the Financial Regulatory Authority.

For small and medium enterprises (SMEs) listed on Nile Stock Exchange, the report may be published on the trading screens.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (139):

Transferability of Shares and Restrictions in the Articles:

Shares are generally transferable and this cannot be otherwise stated in the articles.

However, the company's articles may include reasonable restrictions on share transfers, as long as they don't prohibit transfer outright.

Such restrictions may only be added post-incorporation if the founding articles allow the extraordinary general assembly to impose them.

Shares remain transferable even after the company is dissolved and until liquidation is complete.

Article (140):

Restrictions on Share Transfers:

The company's articles may require board or managing partner approval for transferring shares to third parties, subject to the conditions in Article 141.

This restriction does not apply to transfers between spouses, ascendants, and descendants.

Article (141):

Conditions for Share Transfer Approval:

If the company's articles require approval for transferring shares, the following applies:

- The shareholder must submit a request with:
    - Name, address, number/type of shares, and offered price
    - The request must be sent via registered mail or delivered directly to the company with a dated receipt
- Approval is presumed if no reply is received within 60 days

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- If the board or managing partners object, they must within 60 days:
    - Propose an alternative buyer (shareholder or third party)
    - Buy the shares for capital reduction or other lawful purposes
    - The price is determined as per the articles

- If no action is taken within the 60-day window, the transfer is deemed approved.

Article (142):

Rights of Partially Paid Shares:

Shares not fully paid up still carry full shareholder rights except dividends, which are distributed proportionally to the paid portion of the nominal value.

Article (143):

Payment of Outstanding Share Amounts:

The board or managing partners may set deadlines for payment of unpaid share capital.

If the shareholder fails to pay, a registered notice is sent to their address on file.

The articles may allow for the sale of shares (on behalf of the non-paying shareholder) without court intervention if payment is not made within a period (minimum 30 days) specified in the articles.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (144):

Sale of Shares for Non-Payment:

Shares may be sold:

- On the stock exchange (if listed)
- Through public auction by a licensed broker (if not listed)
- The company must publish an announcement in a daily newspaper or the Investment Gazette listing the defaulted share numbers and inviting bids, after at least 60 days from the warning notice.

  A registered letter must be sent to the shareholder with a copy of the ad and publication details.

  The sale cannot occur until 15 days after this notification.

Article (145):

Joint Liability for Unpaid Shares:

Anyone who subscribed to unpaid shares, or acquired them by transfer—including the current holder—is jointly liable for paying the unpaid portion, interest, and related expenses.

The company may take legal action regardless of whether it enforces its rights through the shares.

Article (146):

Settlement of Sale Proceeds:

If the sale proceeds cover the shareholder's debt, interest, and expenses, the company retains what it's owed and returns the remainder to the shareholder.

If the proceeds are insufficient, the company may pursue the shareholder for the difference.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (147):

Cancellation of Defaulting Shareholder's Registration:

The name of the shareholder whose shares were sold is removed from the company's register.

Any shares still in their possession are canceled, and the stock exchange is notified to halt trading.

The new shareholder is recorded in the register and issued new certificates marked as reissued copies of the original shares.

Article (148):

Rights of Shareholders in Default of Payment:

Shares for which shareholders have been formally notified to pay the remaining value and have failed to do so shall not carry any voting rights after one month from the date of such notification, until full payment is made. These shares are excluded from the voting quorum.

Additionally, dividends shall not be distributed for these shares, nor shall they have priority rights in subscribing to capital increase shares.

If the due amounts are subsequently paid, the shareholder shall be entitled to receive the withheld dividends and regain the right to priority subscription, provided the subscription period is still open.

Article (149):

Cases Where a Company May Purchase Its Own Shares:

The company may purchase its own shares in the following cases:

- In the case of capital reduction.
- If the purchase is intended to implement an employee or director incentive or reward plan.
- If the company's statutes require its approval for the transfer of share ownership, and the company refuses approval and opts to purchase the shares under Article (141).

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The company may not, under any circumstance, acquire more than 10% of its total issued shares.

In such cases, the company must notify the Authority within three business days of the transaction.

Transferring these shares to subsidiaries or affiliates does not constitute a third-party transaction.

If shares are not purchased for capital reduction or for employee distribution purposes, the company must dispose of them to third parties within one year of acquisition. This does not apply to subsidiaries where the company holds over 50% of capital or voting rights.

Disposal is also prohibited to related parties, defined as any group under the effective control of the company or bound by a voting agreement at general or board meetings, or where the company holds a significant equity stake.

Article (150):

Holding Period and Rights of Purchased Shares:

The company may not retain its purchased shares for more than one calendar year, including those acquired for employee or director incentive plans, once the plan period ends.

By the end of that year, it must either allocate them to employees or third parties, or reduce capital and cancel the shares.

If the company fails to reduce capital, the Authority shall take steps to enforce it after 30 days from serving notice, as follows:

- Serve notice by registered letter with acknowledgment within 30 days from the end of the year.
- After the notice period, a general meeting must be held to approve capital reduction equal to the nominal value of shares held for over one year. If the meeting is not held within a month or refuses the reduction, the Authority shall issue a capital reduction decision within another month.
- Capital reduction is then registered in the commercial registry.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

During this period, such shares carry no voting or dividend rights and are excluded from share count for quorum and voting purposes.

Article (151):

Employee and Director Incentive Plans:

Subject to Articles (149, 150, and 196), a joint-stock company may include one or more employee or director incentive/reward plans in its bylaws. These may involve:

- Free share grants
- Sale under favorable conditions
- Ownership transfer after a specified period

Implementation must follow the procedures outlined in the following articles.
The company may entrust plan administration to a custodian, a licensed securities company, or a worker shareholders' union.

Article (151 Bis):

General Provisions on Incentive Systems:

Adoption of any employee or director incentive plan must be approved by the Extraordinary General Meeting (EGM). The board must attach the following to its proposal:

- Total number of shares to be granted or sold under the plan, and their distribution.
- Eligibility criteria for employees/directors, including seniority, competence, and evaluation methods.
- Share valuation, payment methods, and funding sources.
- Legal status of shares during the period between issuance and ownership transfer.
- Lock-up periods for shares obtained via grants or favorable sales.
- Independent assessment of the plan's impact on current shareholders.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- Conditions for the company's repurchase of shares if an employee or director leaves.

The EGM may delegate implementation details to the board.

The board must notify the Capital Market Authority (CMA) of the approved plan, including EGM minutes and draft agreements. The CMA may respond within one month.

The board's annual report or financial disclosures must include details such as:

- Number of shares used in the plan
- Beneficiary categories, especially senior management or those with >5% of total shares
- Accounting methods applied in executing the plan

Article (152):

Granting or Selling Shares Under Preferential Terms:

Incentives may involve free shares, discounted prices, or installment payments—whether from newly issued or already held shares.

For installment purchases, the shareholder is entitled to dividends proportionate to the amount paid. Voting rights must be clearly stated in the company's bylaws.

If the employee/director resigns before full payment, they may either pay the remaining amount or get a refund based on share value at resignation—within 7 business days.

A lock-up period applies, and its minimum duration is set by the EGM, with differentiation between free and discounted shares. During this time, dividends apply, and other rights are outlined in the bylaws. The lock-up period may be extended if resignation occurs early.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (152 Bis):

Stock Ownership Promises to Employees:

A company may incentivize employees/directors by promising to sell shares upon fulfilling conditions and at a predetermined price, without transferring rights until conditions and payment are met.

The plan must specify:

- Duration of the offer
- Conditions for eligibility (e.g., tenure, company performance)
- Sale price and payment method
- Impact of resignation, leave, retirement, or illness
- Treatment of dismissals
- Rights of heirs in case of death before exercise

Modifications to existing plans require approval by beneficiaries holding at least 75% of the plan's total value and an EGM resolution based on the board's proposal.

Rights under such plans are non-transferable and cannot be assigned, except via special power of attorney after the promise date.

In case of permanent disability during employment, the company must waive the service requirement, and the shares vest immediately.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (153):

Cases for Issuing Founders' Shares or Profit Shares:

Founders' shares or profit shares may only be created in exchange for:

- A concession granted by the government, or
- An intangible right

These may be issued at the time of company incorporation or during a capital increase. The company's bylaws must state the consideration given for these shares and the rights associated with them.

These shares are traded by registration in the company's records.

Article (154):

Conditions for Trading Founders' Shares:

Founders' shares may not be traded until after the publication of the financial statements and accompanying documents for two full fiscal years, each not less than 12 months, following the company's incorporation.

During this period, it is prohibited to detach the coupons from their original stubs. A stamp must be placed indicating the type of share, the date of incorporation, and the legal instrument of issuance.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (155):

Right of Founders' or Profit Shareholders to Review Records:

Holders of founders' or profit shares may request to inspect the company's books, records, and documents — to the extent that such inspection does not jeopardize the company's interest. This review shall be conducted by representatives appointed by the shareholders' association and must take place at the company's headquarters during regular working hours.

Shareholders holding at least 10% of the company's shares also have the right to obtain information and copies of documents related to self-dealing or related-party transactions. If the company refuses, they may submit a request to the regulatory authority, whose decision will be binding and enforceable.

Article (156):

Rights of Founders' or Profit Shareholders:

Founders' shares or profit shares do not constitute part of the company's capital, and their holders are not considered shareholders. They only have the rights granted in the bylaws or by a resolution of the extraordinary general assembly.

The total returns allocated to these shares — whether fixed amounts or a percentage of profits — may not exceed 10% of net profits, after:

- Deducting legal reserves
- Allocating at least 5% of profits to shareholders as capital returns

These shares do not entitle holders to any portion of the liquidation surplus upon the company's dissolution.

These provisions do not apply to founders' shares issued before April 1, 1982.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (157):

Conditions for Canceling Founders' or Profit Shares:

The General Assembly may cancel founders' or profit shares based on a proposal by the board of directors (or managing partners, as applicable), under the following conditions:

- One-third of the company's duration has passed, or 10 financial years at most since the issuance of these shares, or the period specified in the company's bylaws — whichever is shorter.
- The cancellation must apply to all shares of the same issue (if there are multiple issues).
- Cancellation must be accompanied by fair compensation, determined by the committee mentioned in Article 25 of the Companies Law.

Article (158):

Conversion of Founders' or Profit Shares into Capital Increase Shares:

Where the General Assembly is authorized to cancel founders' or profit shares, it may alternatively decide — upon the board's proposal — to convert them into shares, increasing the capital by their value, within the authorized capital limit.

An agreement must be reached between the board and the shareholders' group on the conversion ratio.

The capital increase shall be covered from the company's distributable reserves.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (159):

Issuing Bonds:

The company may issue registered bonds in uniform denominations. These bonds are tradable and confer equal rights on all holders against the company.

Bond certificates must be signed by two board members designated by the board, or by the managing partners.

Each bond will have coupons bearing serial numbers and also the bond's serial number.

Article (160):

Information Required in Bond Certificates:

Bond certificates must include the following data:

- Name and legal type of the issuing company (joint stock or partnership limited by shares)
- Issued and authorized capital
- Company's registered office address
- Commercial registration number, date, and place
- Company's legal duration

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46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- Total amount of the bond issue
- Par value and serial number of the bond
- Interest rate and payment schedule
- Bond maturity and redemption terms
- Specific guarantees backing the bond (if any)
- Outstanding amounts from previous share issues
- If convertible into shares: timing and terms for exercising conversion rights
- Name of the bondholder

Article (161):

Authority to Issue Bonds:

Bonds may be issued only by resolution of the General Assembly, based on a proposal from the Board (or managing partners), accompanied by an auditor's report detailing the terms of issuance.

The resolution may include:

- General authorization to issue bonds
- Total amount
- Guarantees and securities offered

The Board or managing partners may be authorized to decide the timing and remaining conditions for issuance, within two years from the General Assembly's decision.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (162):

Requirement to Fully Pay Issued Capital Before Issuing Bonds:

A company may not issue bonds unless:

- The issued capital is fully paid, and
- The total value of outstanding bonds (already issued and held by the public) plus the value of the new issue does not exceed the company's net assets at the time of issuance.

This must be confirmed in the auditor's report submitted to the General Assembly, based on the most recent financial statements approved by the assembly.

If these conditions are violated, any concerned party may petition the competent court to invalidate the issuance (in whole or part) to the extent it exceeds the legal limits.

Article (163):

Cases of Bond Issuance Before Full Payment of Share Capital:

Notwithstanding the above, a company may issue bonds before full payment of the issued capital in the following cases:

- If the bonds are fully secured by a mortgage with first priority on all or part of the company's fixed assets.
- If the bonds are guaranteed by the state.
- If the bonds are fully subscribed by banks or licensed securities firms (even if resold later).
- If the issuing company is a real estate or mortgage finance company, or another company licensed by ministerial decree.

The Minister may, based on the Authority's recommendation, allow such companies to issue bonds exceeding their net assets, within limits set by decree.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (164):

Bonds Secured by Mortgage or Guarantee:

If bonds are secured by mortgage, guarantee, or other forms of collateral, these securities must be registered in favor of the bondholders' group before the bond issuance.

The legal representative of the guarantor must complete the required procedures after obtaining approval from the relevant authority.

Mortgages must be registered before subscriptions begin.

Within three months of the subscription closing date, the company's legal representative must file an official statement documenting the bond loan and related data.

This must be registered in the same records where the mortgage was entered.

Article (165):

Convertible Bonds into Shares:

The General Assembly, upon a proposal from the Board of Directors or the managing partner(s), may issue bonds convertible into shares, subject to the following conditions:

- The General Assembly's resolution and the subscription prospectus must include the rules governing the conversion of bonds into shares, after reviewing the auditor's report on the matter.
- The bond's issuance price must not be less than the nominal value of the share.
- The total value of the convertible bonds, combined with the value of the company's existing shares, must not exceed the authorized capital.

Article (166):

Preemptive Rights of Shareholders in Convertible Bonds:

Shareholders have a preemptive right to subscribe to bonds convertible into shares, in accordance with Articles (96) to (99).

If applying the conversion rules results in fractions of shares, the company shall pay the bondholder the value of those fractions.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (167):

Conditions for Bond Conversion and Related Share Rights:

Bonds may only be converted into shares with the consent of their holders and in accordance with the conditions established by the General Assembly's resolution.

The bondholder must express their desire to convert within the deadlines stated in the issuance resolution and the subscription prospectus. These deadlines must not exceed the maturity period of the bond.

The resulting shares shall entitle the bondholder to dividends distributed for the fiscal year in which the conversion occurs.

Article (168):

Disclosure of Shares Issued Upon Bond Conversion:

At the end of each fiscal year, the Board of Directors or managing partner(s) must prepare a report detailing the number and nominal value of shares issued in exchange for converted bonds during the year.

They must amend the issued capital and number of shares accordingly, and take the necessary steps to update the commercial registry and officially register the increase.

Article (169):

Conditions for Offering Bonds to the Public:

If any portion of a bond issue is offered for public subscription, the procedures in Articles (12) to (22) shall apply, while observing the following specific provisions.

A bond issue is considered public if the company invites unspecified persons to subscribe.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (170):

Contents of the Subscription Prospectus and Attachments:

The public bond subscription prospectus must contain the information specified in Annex No. (2) and be accompanied by:

- A copy of the latest financial statements approved by the General Assembly, signed by the Chairman of the Board or the managing partner(s).

- A report on the company's activities from the start of the current fiscal year and for the preceding year if the General Assembly has not yet approved those financials.

The report must include key financial elements and be signed by both the company's legal representative and the auditor.

Article (171):

Failure to Cover Entire Bond Issue:

If the full bond offering is not subscribed within the original or extended subscription period, the Board of Directors or managing partner(s) may opt to proceed with the portion that was subscribed and cancel the rest.

Article (172):

Violation of Public Subscription Procedures:

If the regulatory authority does not approve the public bond offering, or if required procedures are violated, any interested party may petition the competent court to invalidate the subscription and order the company to refund the bond value immediately, in addition to compensating any resulting damages.

Article (173):

Formation of the Bondholders' Group:

A bondholders' group is formed for each issue, with the purpose of protecting their mutual interests.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

If several issues carry the same rights, the decision for each issue may stipulate that holders of all such bonds shall form one unified group.

Article (174):

Legal Representative of the Bondholders' Group:

The group shall elect a legal representative from among its members by absolute majority at a meeting.

The group determines the term, delegate in case of absence, and compensation (if applicable).

If no representative is elected within six months from the closing of the bond subscription, any interested party may request the summary court to appoint a temporary representative.

Article (175):

Eligibility of Legal Representative:

The representative must be:

- An Egyptian national residing in Egypt. If a company, its main office must be in Egypt.
- Free from any direct or indirect interest in the issuing company. Specifically, the representative must not be:
    - A company owning or owned by the issuing company by at least 10%.
    - A guarantor (individual or entity) for the issuer's debts.
    - A member of the board, auditor, executive, or employee of entities listed in (a) and (b), or a spouse, parent, or child of those individuals.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (176):

Notification of Group Formation and Representative Identity:

The company's Chairman or CEO, and the legal representative of the bondholders' group (if appointed), must notify the Authority of the group's formation and representative.

The representative must also notify the Authority and the company's Chairman or CEO of any decisions issued by the group, with signed copies.

Article (177):

Powers of the Legal Representative:

The legal representative has the following powers:

- Represent the group before the company, third parties, or the courts.
- Chair bondholder meetings (or his/her delegate in absence).
- Manage group affairs within limits set by the group.
- File lawsuits in the group's name to protect shared interests, especially actions to nullify harmful resolutions by the company.

Article (178):

Representative's Rights Toward the Company:

The representative may not interfere in company management.

They may attend General Assembly meetings and express opinions but without voting rights.

They may present group decisions and recommendations to the Board or General Assembly, which must be documented in the meeting minutes.

They must be notified of General Assembly meetings and receive related documents in the same manner as shareholders.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (179):

Calling Bondholder Meetings:

The bondholder group may be called to meet at any time by:

- The company's Board
- Managing partner(s)
- The group's representative
- The company's liquidator
- Holders of at least 5% of the bond issue (nominal value), via registered mail to the company and the group representative.

If a meeting is not held within 30 days, the petitioners may request the court to appoint a temporary representative to convene the meeting and chair it.

A quorum requires a majority of the issued bond value. If not met in the first meeting, a second meeting is valid regardless of attendance.

Article (180):

Meeting Invitation Procedures:

Bondholder meetings follow the same rules as shareholder general meetings (Articles 201–209, 212–214), with the following additions:

- The notice must specify the bond issue(s) concerned and the inviter's name, address, and authority — or the court order if applicable.
- The invitation must be published in two daily newspapers, at least one in Arabic, or sent via registered letters to the bondholders' addresses on file.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (181):

Agenda of the Meeting:

The entity calling the meeting sets the agenda. Bondholders owning at least 5% of the bond value may request to add specific topics.

No decisions may be made on matters not included in the agenda.

Article (182):

Right to Attend Meetings:

Each bondholder may attend group meetings in person or via proxy.

Holders of bonds that were due for redemption but unpaid (due to bankruptcy or disputes) may also attend.

However, bondholders may not be represented by board members, guarantors, company auditors, employees, or any of their relatives or affiliates.

Article (183):

Meeting Venue:

Meetings are held at the company's headquarters or another location within the same city.

The company bears the costs of organizing the meeting and paying the representative, within the limits stated in the bond subscription prospectus.

Article (184):

Powers of the Bondholder Group

The group may take the following actions:

- Any measure that protects the bondholders' common interests and ensures compliance with bond terms.
- Approve expenses related to such actions.

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email info@eg.Andersen.com

- Issue recommendations to the General Assembly or Board of the issuing company.

The group may not take actions that impose unequal burdens or discriminatory treatment among members.

Article (185):

Early Redemption of Bonds:

The company may not redeem bonds before their maturity unless permitted by the issuance resolution and prospectus.

If the company is liquidated before its term (except for merger or split), bondholders may demand early repayment or the company may offer it.

Part Two: Special Provisions Relating to Types of Companies

Chapter One: Joint Stock Companies and Partnerships Limited by Shares

Section One: Financial Structure

Third: The Company's Fiscal Year, Profit Distribution, and Reserves

(a) The Company's Fiscal Year

Article (186):

Fiscal Year Duration:

Every company must have a fiscal year as specified in its bylaws, not exceeding 12 months.

Exception: The first fiscal year may be extended up to the end of the following fiscal year.

If the fiscal year start/end is amended, interim financial statements must be prepared for the period between the old and new dates.

Maher Milad Iskander & Co.
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eg.Andersen.com
email info@eg.Andersen.com

Article (187):

Documents Prepared at Fiscal Year End:

At the end of each fiscal year, the Board or managing partners must prepare:

- The financial statements
- A written report on the company's financial position and activities during the year

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Article (188):

Contents of Required Documents:

Financial statements must include the data outlined in Annex No. (4).

The report under Article 187 must include the items listed in Annex No. (1).

Holding companies must also prepare consolidated financial statements, according to Annex No. (5), except for banks and (re)insurance companies.

Article (189):

Investment and International Cooperation No. 16 of 2018, amending certain provisions of the Executive Regulations of the Law on Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies issued by Decision No. 96 of 1982. Issued on 08/02/2018, published on 11/02/2018 in the Egyptian Gazette, Issue No. 34 (Supplement), effective as of 12/02/2018.

The company's balance sheet, financial statements, and the board of directors' report must be prepared within a maximum period of two months from the end of the financial year of the company. These documents must be made available to the auditors by the end of that period.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (189 bis):

Obligation to Submit Financial Statements to the Authority:

Companies must submit to the Authority a copy of their financial statements after approval by the general assembly, along with an annual data form (the format of which is issued by a decision of the Chairman of the Authority). This form shall include, in particular, employment numbers, investments, updates to the company's core data, organizational structure, branches, and locations. The form must be submitted either at the Authority's headquarters or via the company's website by the official company representative, their agent, or authorized delegate. This form is to be approved by the board of directors of the Authority.

Part Two: Special Provisions Relating to Types of Companies

Chapter One: Joint Stock Companies and Partnerships Limited by Shares

Section One: Financial Structure

Third: The Company's Fiscal Year, Profit Distribution, and Reserves

(2) Profits, Their Distribution, and Reserves

Article (190):

Non-Alteration of Financial Statement Format

The format in which the company's financial statements are presented must not change from one financial year to another. However, exceptions are allowed for certain items if the attached notes to the document in which the change occurred explain and justify such changes.

Article (191):

Net Profits:

Net profits are those resulting from operations conducted by the company during the financial year, after deducting all necessary costs and after accounting for all depreciations and provisions required by accounting principles. These depreciations and provisions must be made even in years where the company does not make profits or achieves insufficient profits.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (192):

Legal Reserve:

While preparing the financial statements, the board of directors must allocate at least 5% of the net profits referred to in Article 191 to form a legal reserve. The general assembly, based on the auditor's report, may suspend this allocation if the reserve reaches 50% of the issued capital. The legal reserve may be used to cover company losses or to increase the capital.

Article (193):

Statutory Reserve:

The company's statute may specify a percentage of net profits to form a statutory reserve for purposes defined in the statute. If the statutory reserve is not earmarked for specific purposes, the general assembly may, based on proposals from the board or managing partners with the auditor's report, decide how to use it for the company's or shareholders' benefit. In all cases, reserves and provisions may not be used for purposes other than those specified without the general assembly's approval.

Article (194):

Distributable Profits:

Distributable profits are the net profits after deducting prior years' losses and after setting aside the reserves required under the two preceding articles. The general assembly may also decide to distribute part or all of the available reserves, provided the resolution includes a statement of the reserve's status.

Article (195):

Distribution of Profits from Asset Sales and Conditions:

The general assembly may, upon the proposal of the board or managing partners, distribute part of the net profits arising from the sale or compensation of a fixed asset, provided this does not prevent the company from restoring or replacing the asset. The distribution proposal must be accompanied by an auditor's report on the distributed amount and the sufficiency of the remaining proceeds to restore the company's assets.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (196):

Rules for Profit Distribution:

Subject to Articles 191 to 195, the general assembly determines distributable profits after approving the financial statements and declares allocations for employees, shareholders, and the board or managing partners. Considerations:

- Employees' share of cash-distributed profits must not be less than 10% but should not exceed total annual wages.
- If the company's statute provides for more than 10% to employees, the excess should be allocated to a special account invested in their favor, and may be used in lean years or for housing/services benefiting them, per board or managing partner decision.
- Board remuneration must not exceed 10% of distributable profits, after allocating at least 5% of capital as profit to shareholders and employees, unless a higher percentage is specified.
- Founders' shares or profit shares must not exceed 10% of distributable profits after fulfilling the 5% minimum to shareholders and employees.
- The general assembly may create other reserves beyond legal and statutory reserves based on board or managing partners' proposal.

Article (197):

Execution of Profit Distribution Resolution:

Shareholders, partners, or employees become entitled to their share in profits once the general assembly approves the distribution. The board or managing partners must implement the distribution within a maximum of one month from the date of the resolution.

Those who received dividends in accordance with the law are not required to return them even if the company incurs losses in future years.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (198):

Distribution of Profits That Prevents Fulfilling Financial Obligations:

The general assembly may not distribute profits contrary to the law, these regulations, or the company's statute. Nor may it approve a distribution that prevents the company from meeting its financial obligations on time. The board or managing partners' proposal must include an explanation of the distribution's impact on financial obligations, supported by the auditor's opinion.

Article (199):

Company creditors may request a competent court to annul any general assembly resolution that violates Article 198. Board members or managing partners who approved such distribution are jointly liable to creditors within the value of the distributed profits. Shareholders or partners who knew the distribution was unlawful are also liable within the amount they received.

Part Two: Special Provisions Relating to Types of Companies

Chapter One: Joint Stock Companies and Partnerships Limited by Shares

Section Two: Management of the Company

First: The General Assembly

1. Common Provisions for Both Ordinary and Extraordinary General Assemblies

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Article (200):

Types of General Assembly Meetings

The general assembly may hold ordinary or extraordinary meetings, depending on the agenda items and in accordance with the law and regulations.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (201):

Meetings of the general assembly are held at the time stated in the statute or the notice of meeting, subject to the law and regulations. Meetings must be held in the city of the company's headquarters unless the statute states otherwise.

Article (202):

Notice Details for General Assembly Meetings:

The notice must include:

- Company name and head office address
- Company type (Joint Stock / Partnership Limited by Shares)
- Authorized and issued capital
- Commercial registration number and location
- Date, time, and venue of the meeting
- Whether the meeting is ordinary or extraordinary
- Full agenda without referencing other documents
- Date, time, and venue of a second meeting in case of lack of quorum (if allowed by the statute)

Article (203):

Publication of the Notice Inviting the General Assembly:

Notices must be published twice in two daily newspapers, one in Arabic. The second publication must occur at least five days after the first.

Companies that haven't offered public shares may skip publication and instead send registered mail to shareholders. They may also deliver notices by hand with a receipt.

The notice must be sent at least 21 days before the first meeting and at least 7 days before the second meeting.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

All publication costs are borne by the company. If the first meeting is not held due to lack of quorum, the second meeting must be convened with the same procedures.

Article (204):

Entities to Be Notified of the General Assembly Meeting Invitation:

All the following must be notified simultaneously with shareholder notices:

- The Authority
- The Administration
- The Auditor
- The legal representative of bondholders

  They must also receive the financial statements and board report with the general assembly invitation.

Article (205):

Without prejudice to the rules governing companies listed on the Egyptian Stock Exchange and Law Nos. 95 of 1992 and 93 of 2000, no share transfer may be recorded in the company's registers from the date of publishing or sending the general assembly invitation until the meeting concludes.

Article (206):

Agenda of the Meeting:

The entity convening the general assembly determines the items on its agenda. However, shareholders owning at least 5% of the company's shares may request the inclusion of certain matters in the agenda of the ordinary general assembly by sending a registered letter to the board of directors or by delivering it to the company’s headquarters in exchange for a receipt. The request must specify the resolution proposed for issuance by the assembly and its justifications and be accompanied by evidence of deposit of their shares with the company or an accredited bank, with a commitment not to withdraw them until the assembly meeting is concluded.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The request must be submitted at least ten days before the date of the first scheduled meeting. The proposed resolutions must be added to the agenda and voted on at the meeting.

The percentage referred to above must be at least 10% in case the request is for adding matters to the agenda of an extraordinary general assembly.

Article (207):

Restriction to Agenda Items:

The general assembly may not deliberate on matters not listed in the agenda. However, it may deliberate on serious incidents that arise during the meeting.

Items in the agenda may not be changed if the meeting is postponed due to a lack of quorum.

Article (208):

Attendance at the General Assembly:

Shareholders may attend the general assembly either in person or by proxy. The proxy must be established through a written power of attorney or delegation.

Shareholders who are not board members may not appoint a board member as their proxy. However, board members may delegate attendance among themselves, provided that the board's attendance quorum required for the meeting's validity is met. The attendance of a natural guardian, trustee, or legal representative of a corporate shareholder is considered attendance in person.

The power of attorney or delegation may be valid for one or more meetings. It also remains valid for any postponed meeting due to lack of quorum.

The proxy may be a custodian or registered owner per the law governing the central depository and registry of securities.

The company's articles may set a maximum number of votes a shareholder may represent in the assembly, whether in person or by proxy.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (209):

Proof of Shareholder Attendance:

Shareholder attendance is recorded in a register that includes:

- Full name, residence, number of shares held, and voting rights for shareholders attending in person.
- Same data for shareholders represented by proxies.
- Same data for proxies and the shares and votes they represent.

Before the meeting starts, the register must be signed by the auditors and vote counters. The company must retain all proxy documents (e.g., powers of attorney, guardianship decisions) for at least one year.

Article (210) – Board Attendance at General Assembly:

The board of directors must attend the general assembly with the quorum set out in Article 60 of the law.

In partnerships limited by shares, at least one managing partner and the required number of supervisory board members must attend.

The auditor, or a participating accountant, must also attend to verify the proper procedures were followed and fulfill legal duties.

Regulatory authorities (as mentioned in Article 204) may send representatives. Bondholder representatives also have the right to attend.

Article (211):

Chairing the General Assembly:

The general assembly is chaired by the board chairman or a managing partner, as per the company's bylaws.

If the meeting is called by a party other than the board, the person or their representative who called the meeting chairs it. If called by the committee per Article 18 of the law, the General Director of the Companies Department or their delegate chairs the meeting.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

If the bylaws do not specify who chairs in the absence of the usual chairperson, the attendees elect a chairperson.

Article (212):

Appointment of Secretary and Vote Counters:

At the beginning of the meeting, the chairperson appoints the assembly secretary and vote counters, whose appointment must be approved by the assembly. They may be non-shareholders if the bylaws allow.

The chair requests that the auditor and vote counters verify and record the shareholder attendance ratio in the register and sign it, after which the chair announces it.

Article (213):

Quorum Completion Ruling:

If the quorum set by the bylaws is met, the assembly begins reviewing the agenda.

If the quorum is not met, a report is written and signed by the chair, secretary, and vote counters, and the chair announces the postponement to the second scheduled meeting.

Article (214):

Minutes of the Assembly:

The minutes of the assembly must include, in addition to Article 75 of the law:

- Names of non-member attendees (e.g., regulators, bondholder representatives)
- Their observations or comments made during the meeting

The minutes must be signed by the chair, secretary, vote counters, and the auditor. A copy must be sent within one month to the Capital Market Authority, the Companies Department, and the bondholder representative.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (215):

Cases for Calling the Ordinary General Assembly:

The following parties may call for an ordinary general assembly:

- The board chairman or managing partner(s) must call the assembly within three months of the financial year-end or as otherwise stipulated in the bylaws.
- The board or supervisory board (in partnerships limited by shares) may call a meeting as needed.
- If requested by the auditor or shareholders owning at least 5% of the capital, provided they deposit their shares and submit bank certificates confirming their commitment not to withdraw shares until after the meeting.
- The auditor may call the assembly if the board delays calling it more than one month after it becomes mandatory.
- The Companies Department may call the assembly if the number of board members falls below the legal minimum.
- Liquidators during liquidation.
- The committee under Article 18 of the law, if violations by board members or auditors are confirmed.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (216):

Date and Powers of the Ordinary General Assembly:

The ordinary general assembly must meet at least once annually within three months after the fiscal year-end to review:

- Auditor's report.
- Board's activity report.
- Financial statements.
- Profit distribution.
- Remuneration of board members.
- Appointment and remuneration of the auditor.
- Election of board members (if needed).

Article (217):

Other Powers of the Ordinary General Assembly:

Financial Matters:

- Suspending legal reserve if it equals 50% of issued capital.
- Creating non-legal/systematic reserves.
- Using systematic reserves if not allocated for specific purposes.
- Using reserves/allocations outside their intended uses.
- Approving profit distributions from sale or compensation of fixed assets.
- Approval to issue bonds and related guarantees.
- Considering bondholder decisions.
- Authorizing related-party contracts individually.

Maher Milad Iskander & Co.
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- Approving donations exceeding EGP 1,000.

Board of Directors:

- Dismissing the board or members even if not listed in the agenda and suing for liability.
- Dismissing repeatedly absent members and electing replacements.
- Penalizing absent board members without acceptable excuse.
- Authorizing an executive board member to serve as executive in another company.
- Authorizing board members to perform administrative/technical roles in other companies.
- Authorizing board members to engage in competing business.
- Addressing urgent management matters if the board is paralyzed.
- Approving any board actions.
- Issuing recommendations on board duties.

Auditor:

- Changing the auditor mid-year per Article 103 of the law.
- Dismissing auditors and filing lawsuits per Article 106 of the law.
- Reviewing auditor's report if unable to perform duties.

Company Liquidation:

- Appointing/removing liquidators and determining fees.
- Extending liquidation based on liquidator’s report.
- Reviewing interim liquidation accounts every six months.
- Approving final liquidation accounts.
- Designating a location to store records after deregistration.

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46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (218):

Documents to Be Published Before the Meeting:

The board or managing partners must publish the financial statements, a summary of the board report, and the full auditor's report in two daily newspapers within two months of the fiscal year-end.

If the company's bylaws allow, these documents can instead be mailed to each shareholder by registered mail at least 30 days before the meeting.

Copies of what is published or sent must be sent to the Capital Market Authority and the Companies Department.

Article (219):

Auditor's Statement for Shareholders:

At least five days before the ordinary general assembly, the board or managing partners must provide shareholders with a statement from the auditors confirming:

- The company did not provide loans or guarantees to board members or partners.
- If the company is a credit institution, dealings with board members were under the same terms as regular customers.
- That loans, credits, and guarantees comply with Article 96 of the law.

Article (220):

Detailed Statement from the Board

At least three days before the general assembly, the board or managing partners must provide a detailed statement including:

- All compensation received by board members or partners.
- In-kind benefits enjoyed (e.g., housing, cars).
- Pension, severance, or retirement benefits.

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eg.Andersen.com
email info@eg.Andersen.com

- Proposed profit shares or bonuses.
- Actual advertisement expenses with details.
- Conflict of interest transactions.
- Donations made, with justification.

Board members and managing partners are responsible for implementing and ensuring the accuracy of the above data.

Article (221):

Documents to Be Made Available Before Annual Assembly:

At least 15 days before the annual general assembly, the board or managing partners must provide the following documents at the company's headquarters for shareholder review:

- Names and addresses of board members, managing partners, and supervisory board members; other boards they serve on.
- Agenda items and proposed resolutions.
- The board's report and any supervisory board comments.
- If board elections are scheduled: candidates' names, ages, experience, employment history, company role, and shareholding.
- Financial statements.
- Auditor's report.

If shareholders holding the required percentage request adding items to the agenda, the company must make relevant information and proposed resolutions available at least seven days before the meeting.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (222):

Right of Access:

Shareholders and partners have the right to review the documents and papers referred to within the designated timeframes at the company's headquarters, either personally or through representatives. They may also obtain copies after paying an amount not exceeding ten piastres per page.

Article (223):

Commencement of General Assembly Proceedings:

The annual ordinary general assembly meeting begins with the reading of the report submitted by the Board of Directors or the managing partner(s), as applicable. Then, the entity that prepared the report presents the financial statements, followed by the auditor reading their report, which includes the data and information required by law and regulations.

Article (224):

Shareholder's Right to Discuss and Ask Questions:

Each shareholder has the right, during the general assembly, to discuss the Board of Directors' report, the financial statements, the auditor's report, and any serious matters revealed during the meeting. The Board of Directors or managing partner(s) are obliged to answer questions to the extent that it does not harm the company's interests.

Questions must be submitted in writing to the company's headquarters by registered mail or by hand with a receipt at least three days before the general assembly meeting.

Article (225):

Quorum for Valid Assembly and Voting:

The ordinary general assembly is valid only if attended by shareholders representing the percentage stated in the company's bylaws, provided it is not less than one-quarter of the capital, unless the bylaws require a higher percentage (not exceeding half of the capital). If the quorum is not met, a second meeting must be called within 30 days, per Articles 202–204.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The second meeting is valid regardless of the number of shares represented. Resolutions are adopted by an absolute majority of the votes of shares represented unless a higher majority is required by the bylaws.

The invitation to the first meeting may include the date of the second meeting, if the quorum is not met, unless otherwise stated in the bylaws.

Part Two: Special Provisions Relating to Types of Companies

Chapter One: Joint Stock Companies and Partnerships Limited by Shares

Section Two: Management of the Company

First: The General Assembly

3. The Extraordinary General Assembly

Article (226):

Extraordinary General Assembly Invitation:

The Board of Directors or managing partner(s) in joint-stock companies may call an extraordinary general assembly (EGA). They must call the EGA if shareholders representing at least 10% of the capital request it, provided that the shares are deposited, and the request is submitted as per Article 215(b).

If the board or partners fail to call the meeting within a month, the requesters may apply to the General Authority for Investment and Free Zones (GAFI), which will then issue the invitation.

Article (227):

Powers of the Extraordinary General Assembly:

Final version:

The EGA is authorized to amend the company's bylaws, provided such changes do not impose additional obligations on shareholders. Any resolution that affects the core rights of shareholders is void.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The EGA particularly addresses the following amendments:

- Increase or reduction of authorized capital.
- Approval of capital increase with preferred shares.
- Addition of purposes related to or complementing the original objective (changing the main objective requires approval from the committee in Article 18 of the law).
- Modification of rights, privileges, or restrictions on types of shares.
- Extending or shortening the company's duration, early dissolution, or altering the loss percentage that leads to mandatory dissolution, or merging the company.
- Changing the legal form of a partnership limited by shares.

The EGA may also meet to decide on dissolution or continuation if losses in any fiscal year reach half of shareholders' equity per the most recent approved financials.

Article (228):

Documents to Be Made Available to Shareholders:

The Board of Directors or managing partner(s) must make available, at the company headquarters, the following documents for shareholders at least 15 days before the EGA:

- A statement of matters on the agenda (draft resolutions).
    - If shareholders representing the required legal percentage request additional items, those drafts must be available 7 days before the meeting.
- The auditor's report on the agenda items.

Shareholders, bondholders, and founders' shareholders may view these documents themselves or through legal representatives and obtain copies for no more than ten piastres per page.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (228 bis):

Annulment of Related Party Transactions:

Related party transactions may be annulled if proven to harm or neglect the interests of the company. Shareholders may sue the managers for damages caused and request the recovery of any unjust profits.

Article (229):

Quorum for Extraordinary General Assembly:

The EGA is valid if attended by shareholders representing at least half of the capital. If the quorum is not met, a second meeting must be held within 30 days. The second meeting is valid if attended by shareholders representing at least one-quarter of the capital.

Resolutions are passed by a two-thirds majority of the shares represented unless the decision concerns capital changes, dissolution, change of company purpose, merger, or division—in which case a three-quarters majority is required.

Article (230):

Voting Procedure:

Voting in the general assembly is according to the method specified in the company's bylaws. If not specified, the method proposed by the chairperson and approved by the assembly is used.

Secret voting is mandatory when the resolution concerns the election or dismissal of directors or legal action against them, or upon request by the chairperson, managing partner(s), or shareholders representing at least 10% of votes present.

Article (231):

Voting Restriction on Board Members:

Board members may not vote on resolutions concerning their own salaries, bonuses, or the discharge of their responsibility for management. Their shares are excluded from the voting quorum.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (232):

Special Rules for Partnerships Limited by Shares:

The following special rules apply:

- The general assembly of shareholders cannot engage in decisions concerning external dealings or operations.
- Amendments to the company contract by the EGA require approval of the managing partner(s), unless otherwise stated.
- The general assembly represents shareholders in dealings with the managers.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (233):

Calculating Term of Board Membership:

Board membership duration (as per Article 77 of the law) is calculated from the company's commercial registration or the general assembly's appointment decision (whichever applies) until the date of the first general assembly held to review the financial statements for the fiscal year in which the term ends.

Article (234):

Renewal of Board Membership:

A director whose term has ended may be reappointed unless the bylaws state otherwise. The renewal is considered a new appointment and subject to all rules of initial appointment, including recalculating the value of shareholding guarantees.

Article (235):

No Employment During Board Membership:

During their term, a board member may not be assigned any permanent or temporary position or job within the company.

Article (236):

Legal Person Membership on the Board:

A legal person (e.g., a company) may be a board member, provided it immediately appoints a natural person as its representative, who must meet all the conditions required for board members. The legal person remains responsible for the actions of its representative.

If the company's bylaws allow, a legal person may have multiple representatives, with each having a vote.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (237):

Authority to Appoint Representative:

The governing body of the legal person (company, LLC, partnership, etc.) appoints its representative to the board. This does not override rules for public sector entities regarding board representation.

A legal person may not change its representative from one session to another unless replacing them in accordance with the next article. In case of an emergency or absence, a substitute may attend the session.

Article (238):

Duration and Replacement of Legal Person's Representative:

The representative's term corresponds to the term of the legal person's board membership. If the membership is renewed, a new representative must be appointed for the new term.

The legal person may remove its representative at any time by notifying the company by registered letter and naming a successor. The new representative serves the remainder of the predecessor's term.

Article (239):

Appointment of Legal Entity Representative in the General Assembly:

The representative of a legal entity on the board of directors may not also act on behalf of that entity in the general assembly. The legal entity shall appoint its representative in the general assembly in accordance with the previous provisions, and the same rules and requirements apply.

Article (240):

Alternate Board Members:

The company's statute may allow the appointment of alternate board members to replace absent original members, provided the absence is without a valid excuse accepted by the board.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (240 bis 1):

Minimum Capital Representation and Filling Board Vacancies:

The company's statute may stipulate guaranteed representation of a minimum percentage of capital on the board, with a maximum of one board seat per 10% of the company's shares. This shall not prejudice shareholders' rights to run for board membership.

If more than one-third of board seats become vacant, the remaining members must immediately call a general assembly meeting to elect replacements within 30 days.

If the chairman's position becomes vacant, the eldest remaining board member shall call and chair the general assembly unless a meeting chair is elected. Otherwise, ordinary general assembly procedures apply.

Article (240 bis):

Cumulative Voting:

The statute may provide for cumulative voting in board elections, giving each shareholder votes equal to their number of shares. Votes may be allocated to one or more candidates in varying proportions, not exceeding the shareholder's total shareholding.

Vote counters must record this in the meeting minutes, in exception to Article 67(5) of the law.

Listed companies using the central deposit system may use electronic systems for remote participation and voting in general assemblies. These systems must allow shareholders to vote on agenda items within five working days before the meeting without attending.

Remote votes are included in the quorum after verifying share ownership on the meeting date. Shareholders who vote remotely may still attend and re-vote at the meeting, with prior votes voided.

Article (241):

Shareholding Requirement for Board Membership:

Subject to Article 91 of the law, board members must own company shares with a nominal value of at least EGP 5,000 or the amount specified in the statute, whichever is greater.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The value is determined by stock exchange prices or nominal value if the shares are not listed.

Article (242):

Changes in Share Value:

Once deposited, shares held as a requirement for board membership are not affected by subsequent value changes during the board term. They may not be refunded or supplemented due to fluctuations.

Article (243):

Release of Board Membership Guarantee Shares:

Such shares may only be released after the member's term ends, financial statements for the last fiscal year of service are approved, and the member is discharged of liability.

Article (244):

Falling Below the Minimum Number of Board Members:

If the number of board members falls below three due to death or resignation, board meetings and decisions become invalid.

The remaining members, general manager, or auditor must notify the Authority within three working days and call a general assembly meeting within 30 days to appoint replacements. If not, the Authority may call the meeting.

Maher Milad Iskander & Co.
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eg.Andersen.com
email info@eg.Andersen.com

Article (244 bis):

Board Meeting at Request of Members:

One-third of board members may submit a written request to the chairman to call a meeting. If the chairman fails to do so within 10 days, they may call the meeting themselves and notify the Authority as follows:

- Send a registered letter with acknowledgment of receipt including the proposed date, time, location, and agenda at least 3 working days in advance.
- Invite all board members under the standard company rules at least 3 working days in advance.

Article (245):

Quorum and Validity of Board Meetings:

A board meeting is valid only if attended by at least half the members, including the chairman, with a minimum of three or the number specified in the statute, whichever is greater. Decisions require a majority of those present unless a special majority is required.

All participants must keep any sensitive or flagged information confidential.

Article (245 bis):

Holding Board Meetings Outside Headquarters:

Unless the law or statute requires otherwise, board meetings may be held outside the company's headquarters or using remote communication technology, including electronic signatures and online voting systems approved by the Authority.

Article (246):

Appointment of Chairman and CEO:

The board appoints a chairman and may appoint a deputy chairman to act in their absence. The appointment lasts no longer than the member's board term.

The board may also appoint a CEO as per the company's statute and may renew or remove these roles at any time.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
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email info@eg.Andersen.com

The chairman or CEO represents the company in court, depending on the statute. The statute and internal rules define other responsibilities.

Article (247):

Appointment and Duties of the General Manager:

The board may appoint a general manager (not a board member), after consulting the chairman or executive board member. The general manager leads the executive team, reports to the chairman or executive member, and may be invited to board meetings without voting rights.

Their responsibilities are defined by the board upon proposal from the chairman or executive member.

Article (248):

Removal of General Manager:

The board may remove the general manager at any time based on a proposal from the chairman or executive member, in accordance with labor law. If the chairman or executive member resigns, dies, or is removed, the general manager continues until a replacement is appointed.

Article (249):

Recording Board Minutes:

Board meeting minutes must be promptly recorded in a special register, signed by the chairman and secretary, and kept at the company's headquarters. The minutes must record attendees, absentees (with reasons), non-member attendees required by statute, and a full summary of discussions and events.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (250):

Worker Participation in Management:

Joint stock companies established after the law came into force must provide for employee participation in management using one of the methods outlined in Articles 251–256.

Article (251):

First Method: Employee Board Representation:

The statute may allow employees to be board members, subject to:

- Maximum one-third of board seats
- Elected by employees
- Meet board membership criteria (except shareholding)
- No disciplinary penalties in past two years
- Same term as capital representatives

The general assembly sets their remuneration and may dismiss them with the rest of the board.

Article (252):

Second Method: Employee Share Ownership:

The statute may provide for employee participation through work shares, governed by:

- A special association for employees (under NGO law), for employees with over one year of service. Membership ends with employment termination.
- The association elect's representatives to the general assembly and board within statute-defined limits.
- Profit shares go to the association, which distributes them per the company statute.
- The association ends when the company dissolves.

Work shares have no nominal value, are non-tradable, and do not form part of capital.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (253):

Third Method: Employee Advisory Committee:

The statute may provide for a board-appointed advisory committee with employee representatives.

It reviews employment programs, staff affairs, compensation, and issues referred by the board or executive member, and submits recommendations to the board.

The committee chair attends board meetings and has a deliberative vote.

Article (254):

Committee Chair and Attendance:

The committee elects a chair. In the chair's absence, a temporary replacement is chosen.

The executive board member (or delegate) and company managers (appointed by the board) attend meetings without voting rights.

Article (255):

Committee Membership Rules:

The board sets rules for selecting committee members, term lengths, renewal procedures, operations, and remuneration. The committee meets at least every two months, with quorum at one-third. Decisions require a majority; ties go to the chair's side.

Article (256):

Annual Committee Report:

The committee must submit an annual report to the board detailing referred matters, recommendations, and proposals that serve the company's interest.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (257):

Founding Document Must Name Managing Partners:

The company's founding contract must list the managing partners and define their powers. They have full authority except for matters reserved for the general assembly. If there are multiple managing partners, each may act independently unless the other's objection is known to third parties.

Managing partners may delegate tasks to technical/admin staff but remain personally liable. Delegates are not considered "managers."

Article (258):

Obligations of Managing Partners:

Managing partners are subject to the same obligations as board members of joint stock companies, except those under Articles 91–93. They bear the same liability as founders and directors.

Article (259):

Death or Resignation of Managing Partner:

If a managing partner dies and the statute does not require company dissolution, the procedures in the statute apply to appoint a new one. If silent, the supervisory board appoints a temporary manager who must call an extraordinary general meeting within 15 days to elect a replacement, subject to approval of other partners unless stated otherwise.

Same rules apply for resignations.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (260):

Composition and Eligibility:

Every partnership limited by shares must have a supervisory board of at least three members elected by the ordinary general assembly (unless named in the founding contract). They cannot be managing partners. The assembly may remove any of them.

Article (261):

Functions and Responsibilities of the Supervisory Board:

The board supervises management and may request reports, examine records, audit documents, and inventory assets. Managers must allow access equivalent to auditors.

The supervisory board may express opinions on matters referred by management, approve transactions requiring its consent, and submit an annual report on management performance to the general assembly.

It may also call a general assembly meeting.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (262):

Liability of Supervisory Board Members:

Supervisory Board members are not liable for the management of the company. However, they may be held civilly liable if they were aware of violations in the company's management and failed to report them to the General Assembly of shareholders at its first meeting, or if they committed errors in performing their duties as prescribed by law or the company's articles of association.

Article (263):

The rules and provisions related to the Board of Directors apply to the meetings of the Supervisory Board and the recording of its meeting minutes.

Part Two: Special Provisions Relating to Types of Companies

Chapter One: Joint Stock Companies and Partnerships Limited by Shares

Section Three: Auditors

Article (264):

Appointment of Auditors:

Auditors are appointed and perform their duties according to Articles 103 to 109 of the Law, and in consideration of the following provisions:

Article (265):

Multiple Auditors:

In the case of multiple auditors, each has the right to review the company's books, request data and clarifications, and audit assets and liabilities independently. However, all auditors must submit a unified report. In case of disagreement, the report must indicate the points of disagreement and each auditor's perspective.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (266):

Decisions Issued Without Consulting the Auditor:

If the law, regulations, or the company's bylaws require that a decision be issued based on the auditor's report or that the auditor attend the meeting in which the decision is made, then issuing the decision without such requirements is considered a violation—unless the issuing authority ratifies the decision after the auditor's report is submitted or after their attendance, as applicable.

Article (267):

Auditing Standards:

The auditor must audit the company's accounts during the fiscal year according to established practices, and must particularly adhere to the principles set forth in Annex No. (3) of these regulations.

Article (268):

Notifications Required from the Auditor:

The auditor must notify the Board of Directors, the managing partner(s), or the Supervisory Board—depending on the case—of any of the following that come to light during the fiscal year:

- Reviews of documents, verification of assets and liabilities, or tests of the accounting system or other systems.
- Suggested amendments to the financial statements or inventory list, and the reasons for such proposals.
- Any violations or inaccuracies discovered in the company's systems or management.
- The consequences of the observations or proposed amendments on the current year's financial statements, compared to the previous year's statements.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (269):

Invitation of Auditor to the General Assembly:

The auditor must be invited to the General Assembly of the company at the same time shareholders are invited, via registered mail with acknowledgment of receipt.

Article (270):

Auditor's Attendance at Board Meetings:

The auditor may be invited to attend Board of Directors' meetings or meetings of the manager of a partnership limited by shares when company accounts are discussed, or any other meeting at the Board's discretion concerning matters within the auditor's purview.

The invitation must follow the same procedures and timings used for inviting Board members.

Part Two: Special Provisions Relating to Types of Companies

Chapter Two: The Limited Liability Company (LLC)

Section One: Financial Structure

Article 271

(Repealed)

Article (272):

Prohibition of Issuing Securities:

Capital shares in a limited liability company may not take the form of tradable securities, and the company may not issue any type of securities.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (273):

Transfer of Shares Among Partners:

Partners may transfer their shares to one another wholly or partially without the other partners having a right of first refusal unless the articles of association provide otherwise, in which case the provisions of Articles 118 and 119 of the law apply.

Article (274):

Sale of Shares to Third Parties:

Any partner wishing to sell their share to a third party must notify the company managers via registered mail with acknowledgment of receipt, stating their intent to sell along with the price and terms.

The managers must call a meeting of the partners within 10 days to discuss exercising their right of first refusal—or obtain written consent from all partners—to purchase the offered share under the same terms. The decision must be communicated to the selling partner within one month.

Article (275):

Partners' Register:

A register must be maintained at the company's headquarters, including:

- Names, nationalities, addresses, and occupations of partners.
- Number of shares owned by each partner and amounts paid.
- Transfers or inheritance of shares, with signatures of both parties or legal representatives, and entry by a manager.

  Transfers take effect only after being recorded in the register.

  The company must process valid requests to register transfers or inheritance immediately and notify the concerned party within 5 days via registered mail.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (276):

Increase or Reduction of Capital:

The capital of a limited liability company may be increased or reduced only by a decision from the partners' group representing three-quarters of the capital.

This is based on a proposal by the managers and accompanied by a report from the auditor justifying the action.

The capital may not be reduced below the minimum mentioned in Article 271 *(which is now repealed)*.

Article (277):

Cash Capital Increase:

Capital may be increased by issuing new shares for subscription by existing partners proportionate to their holdings, or by new partners approved by a three-quarters majority—provided total partners do not exceed fifty.

Capital may also be increased by raising the value of existing shares equally.

Article (278):

Subscription and Release of Capital Increase:

Cash subscriptions must be fully covered and deposited in a licensed bank account designated for that purpose.

Managers must update the commercial register and notify the General Authority for Investment with the partners' resolution, the auditor's report, and the bank certificate.

Funds may not be disbursed until a certificate confirming the capital increase is issued by the commercial register.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (279):

Capital Increase by In-Kind Contribution:

Capital may be increased through an in-kind contribution from a partner or third party, subject to approval by the partners according to the percentage required for amending the company contract.

The contribution must be valued according to Article 69 of the regulations.

Article (280):

Execution of Capital Reduction:

Upon the partners' decision to reduce capital, managers must promptly request an amendment to the commercial register with supporting documentation, including the resolution.

Part Two: Special Provisions Relating to Types of Companies

Chapter Two: The Limited Liability Company (LLC)

Section Two: Management of the Company

Article (281):

Requirements for Managers:

Managers must meet the conditions outlined in Article 89 of the law.
If there are multiple managers, the partners may appoint a board with the powers defined in the articles of association.

Article (282):

Dismissal of Managers by Court Decision:

Any partner may petition the competent court to dismiss a manager if strong reasons justify such dismissal.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (283):

Supervisory Board Meetings:

The rules applicable to Board of Directors' meetings in joint stock companies also apply to the Supervisory Board in limited liability companies.

Article (284):

Financial Statements and Annual Report:

Managers must prepare the inventory, financial statements, and a report on the company's activities for the past fiscal year.

Partners must meet within 6 months of the fiscal year-end to review these.

They must be notified at least 15 days in advance via registered mail with copies of these documents and the auditor's report—or personally against receipt.

Each partner may, after notification, send written questions to the managers, who must respond at the meeting.

Article (285):

Employee Profit Sharing:

Employees of limited liability companies with capital equal to the minimum capital of joint stock companies in the same field are entitled to profit shares per Article 196.

More favorable existing profit-sharing systems (as of April 1, 1982) remain valid.

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46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (286):

Partners' General Assembly:

Partners' resolutions are made at meetings convened in accordance with the procedures for general assemblies in joint stock companies—requiring the attendance of at least one manager and the auditor.

Except for matters in Article 127 of the law, the articles may allow resolutions by written consent without a meeting.

Managers may be removed by a three-quarters majority of capital represented at the extraordinary general meeting.

The ordinary general assembly may also decide on renewal or non-renewal of the manager(s) annually.

Article (287):

Required Majority for Resolutions:

Resolutions in the general assembly of partners require a majority vote unless the law or articles provide otherwise.

Part Two: Special Provisions Relating to Types of Companies

Chapter Three: The Single-Person Company (SPC)

Article (287 bis):

Establishment of a Single-Person Company:

Any natural or legal person, within the scope of its purpose, may solely establish a Single-Person Company in accordance with the provisions of this chapter. This company shall be a limited liability company.

If the founder is a public legal entity, the establishment requires the approval of the Prime Minister or the competent minister, as applicable.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

A Single-Person Company is prohibited from establishing another Single-Person Company.

Article (287 bis 1):

Data Required to Establish a Single-Person Company

A Single-Person Company is established by submitting an application by the founder or their representative to the Authority.

The company must have articles of association including the company name, purpose, founder's details, duration, management structure, address of the headquarters, branches if any, capital amount, liquidation rules, and any other information required by the Authority.

Article (287 bis 2):

Capital and Restrictions on Single-Person Companies

- The minimum capital must not be less than EGP 1,000, and it must be fully paid at the time of incorporation.
- The capital shares cannot be in the form of tradable shares.
- The company may not issue any securities or borrow by issuing tradable securities.
- Public subscription is prohibited at incorporation or when increasing capital.
- It cannot carry out insurance, banking, savings, receive deposits, or invest funds on behalf of others.

Article (287 bis 3):

Acquisition of Legal Personality

A Single-Person Company acquires legal personality upon registration in the commercial register.

Contracts and transactions carried out by the founder in the name of the company under incorporation are binding if necessary for its establishment.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (287 bis 4):

Applicability of Limited Liability Company Provisions

All provisions governing limited liability companies apply to Single-Person Companies unless otherwise specified.

Article (287 bis 5):

Obligations When Transferring Full Capital

- If the founder transfers the entire capital to another person, they must update company records and the commercial register within 90 days.
- Prior notice must be given to the Authority 15 days before the transaction.
- If the transferee is a public legal entity, approval from the Prime Minister or relevant minister is required.
- The transaction must not violate Article 129 (bis) 2 or harm the company's creditors.
- The transfer is disclosed in the commercial register unless objected to by the Authority.
- Company data must be updated to reflect the new owner, who assumes all obligations.
- If part of the capital is transferred to one or more persons, the company must regularize its status under the new legal form within 90 days or face automatic liquidation.
- Transfers are not effective against third parties until registered.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (287 bis 6):

Powers of the Founder

The founder has full authority over the company.

No action is effective against third parties unless registered in the commercial register.

Article (287 bis 7):

Cases of Unlimited Liability

The founder becomes personally liable in the following cases:

- Bad faith liquidation or activity cessation before term/end of purpose.
- Failure to separate personal and company finances.
- Entering into contracts not necessary for incorporation.

  Contracts between the founder and the company must not harm the company, must follow fair market value or a just valuation, and must not result in tax evasion.

Part Three: Mergers and Transformation of Companies

Chapter One: Mergers

Article (288):

Types of Mergers:

- One or more of the following companies may merge into an existing Egyptian joint stock company, or merge to form a new one:
  - Joint stock companies
  - Partnerships limited by shares
  - Limited liability companies
  - General partnerships

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- Simple partnerships

- Egyptian or foreign companies may contribute a branch or business unit as part of a merger.

- Mergers may occur even during liquidation, with consent to terminate liquidation.

Article (289):

Draft Merger Agreement:

Prepared by the boards or managers of each merging company, the draft must include:

- Purpose, rationale, and conditions of the merger
- Reference date for valuing assets and liabilities
- Preliminary valuation of assets and liabilities
- Allocation of rights among shareholders/partners

An explanatory report must accompany the draft

Article (290):

Valuation of Assets and Liabilities:

The accuracy of asset and liability valuation must be verified by submitting a request to the Capital Market Authority under Articles 26 and 27.

Article (291):

Auditor Report:

Auditors must review the draft merger agreement and associated valuations.

Reports must be submitted at least 15 days before the shareholders' meetings.

Shareholders or partners are entitled to a copy.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (292):

Approval Authority:

The extraordinary general assembly (EGA) of each merging or absorbing company must approve the merger with the quorum needed to amend the bylaws or articles of incorporation.

Article (293):

Unanimity When Obligations Increase:

If the merger increases obligations for shareholders or partners, unanimous approval is required from those affected.

Article (294):

Merger Procedure:

If a new company is formed, it must go through standard incorporation.

If merging into an existing company, the merger contract and amended bylaws are submitted to the relevant committee.

Ministerial approval is required.

Registration and publication must follow.

Article (295):

Objection Rights:

Dissenting shareholders can record their objection and request withdrawal.

In case of acceptable absence, a formal objection must be submitted.

If disputes arise, they may be resolved in court.

Withdrawal requests must be submitted within 30 days of registration.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (296):

Share/Interest Valuation:

The board announces a proposed value based on current asset value.

If the shareholder disagrees, they may seek judicial valuation.

Article (297):

Bondholder Rights:

Bondholders may request repayment upon notification of the merger.

If no request is made within three months, existing guarantees apply.

Article (298):

Creditor Rights:

The absorbing company becomes liable for the merged company's debts.

Creditors may seek guarantees through court if justified.

Company assets remain liable unless otherwise resolved.

Merger provisions in debt instruments remain enforceable.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (299):

Procedures for Changing Legal Form:

- Partnerships limited by shares may be converted to or from limited liability companies, or to joint stock companies with a ¾ majority vote.
- Partnerships may be converted to other legal forms (e.g., joint stock) with ¾ majority and without affecting creditors' rights.
- Approval from the committee in Article 18 is required.
- Certain incorporation steps are waived:
    - No need for preliminary contract
    - Assets evaluated from accounting records, with auditor validation
    - Founding meeting not required, provided EGA approves bylaws, elects board and auditor
- Articles 295–298 also apply.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (299 bis):

Definition, Types, and Basis of Division:

- A company may be split into two or more companies with independent legal personality upon registration.
- Division may be horizontal (same shareholders with same proportions) or vertical (subsidiary owned by the original company).
- Assets and liabilities must be divided based on book value unless otherwise approved.
- The dividing company is the "demerging company" and the others are "divided companies."
- New shares are issued based on net assets.

Article (299 bis 1):

Detailed Division Plan:

The board prepares a plan outlining:

- Reasons for the split
- Asset and liability allocation and share values
- Audited reports
- Pro-forma financials for two prior years
- Draft bylaws for all companies
- Listing status
- Legal opinion on compliance
- Creditor and bondholder arrangements

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Division must be approved by a ¾ majority within a year of the financial statements used.

Article (299 bis 2):

Seeking Authority Opinion:

The board may seek prior Authority approval on the method and structure of the division and financials.

Article (299 bis 3):

Issuance of Shares:

The Authority must approve share issuance for both demerging and divided companies. Registration and record amendment follow.

Article (299 bis 4):

Trading of Shares:

Shares of new companies may be traded immediately unless restrictions apply. Founders' holding periods include time before the split.

Article (299 bis 5):

Legal Succession:

Divided companies legally succeed the original company in rights and obligations based on the division resolution.

Bondholders and creditors must approve, and their rights are protected under Articles 297 and 298.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (299 bis 6):

Right to Appeal and Timeframe:

Grievances against administrative decisions issued by the Minister or the Authority pursuant to the provisions of the law, these regulations, or implementing decisions, may be submitted to the Grievances Committee referenced in Article (160 bis) of the law.

Unless otherwise stipulated in the law, the grievance must be filed within thirty (30) days from the date the concerned party is notified of or becomes aware of the decision.

Article (299 bis 7):

Documents and Information Required for Grievance Submission:

The grievance must be submitted in one original and six copies, and include the following information:

- Name, title, profession, and address of the complainant.
- Date of the decision being contested, and the date the complainant was notified or became aware of it.
- Subject of the grievance and the reasons on which it is based, accompanied by supporting documents.
- Receipt confirming payment of the amount specified in Article 299 bis 11 of these Regulations.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (299 bis 8):

Grievance Office at the Authority:

A Grievance Office shall be established at the Authority and staffed with Authority employees. It shall be responsible for receiving grievances and registering them on the date of receipt in a designated register.

A stamped copy of the grievance showing the registration number and date must be returned to the complainant.

Article (299 bis 9):

Procedure for Reviewing and Deciding on Grievances:

The office shall immediately present the grievance to the Chairperson of the Committee, who will schedule a session for its hearing. The complainant is notified by registered mail with acknowledgment of receipt and may appear in person or through a representative.

The Committee may request any clarifications or documents from the concerned parties.

The Committee must issue its decision within sixty (60) days from the date of submission or from receipt of required clarifications.

The Committee's decisions are final and enforceable.

Article (299 bis 10):

Notification of Committee Decision

The Grievance Office must notify the complainant of an official copy of the Committee's decision, including the rationale, via registered mail with acknowledgment of receipt.

Article (299 bis 11):

Administrative Fees for Filing Grievances

The complainant must deposit 10,000 EGP with the Authority when filing a grievance.
If the Committee rules in favor of the complainant, this amount is refunded after deducting 10% as administrative expenses.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (299 bis 12):

Compensation for the Committee Chairperson, Members, and Office Staff

The Authority shall pay fees to the Grievances Committee as follows:

- 1,500 EGP for the Chairperson per grievance.
- 1,200 EGP for each member.

The Chairperson of the Authority shall determine the compensation for the staff members of the Grievance Office.

Part Four: Supervision and Inspection

Chapter One: Supervision and the Right of Access to Information

Article (300):

Powers of Relevant Administrative Oversight Bodies:

The General Authority for the Financial Market and the General Department for Companies shall implement the provisions of the law and these regulations.
Each authority, within its jurisdiction, may:

- Investigate complaints from shareholders or other stakeholders regarding the application of the law and regulations.
- Appoint a representative to attend both ordinary and extraordinary general assemblies of companies. A single representative may serve both authorities simultaneously.

Responsibilities:

- The Financial Market Authority's representative monitors financial statements, distributions, and bonuses to ensure shareholder protection for companies offering public subscriptions.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- The Companies Department representative ensures quorum validity and procedural compliance.

Representatives must not express opinions during meetings or be appealed to. They must report observations to their respective authority within 10 days of the meeting.

If violations are found, the company is notified with reasons, and the company may respond. If disagreement persists, the issue is referred to the legal authority for resolution and necessary legal action.

Article (301):

Shareholders' and Partners' Right to Access Information:

Shareholders and partners may inspect company records, excluding board meeting minutes and accounting books. They may access:

- Financial statements
- Profit and loss accounts
- Auditor reports for the past three financial years
- Any documents whose disclosure does not harm the company or others

Inspection must be allowed at the company premises, at least one day per week, during scheduled times.

Shareholders may bring legal or accounting experts, and may obtain copies of inspected documents by paying a fee of at least 0.10 EGP per page.

Article (302):

Right of Interested Parties to Access Authority Records:

Any party with a legitimate interest—shareholders, partners, or others—may request access at either the Financial Market Authority or the General Authority for Investment and Free Zones to:

- Company documents

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- Registers
- Meeting minutes
- Reports

Fees:

- 50 EGP for viewing each document
- 100 EGP for obtaining a certified copy of any document

  These fees are fixed regardless of the number of pages.

Part Four: Supervision and Inspection

Chapter Two: Certain Inspection Procedures

Article (303):

Registering Inspection Requests:

The General Department for Companies shall maintain a register for logging inspection authorization requests submitted by shareholders. Entries must be sequential and linked to the calendar year. The register must include:

- Date of submission
- Number of shareholders and percentage of capital held
- The entity where shares are deposited
- Purpose of inspection
- Date and outcome of the committee's decision.

Article (304):

Inspection Files:

A file shall be prepared for each request, containing the documents submitted by shareholders.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The inside cover must list each document in order of receipt with dates and attachments.

The outside of the file shall show the request number, number of shareholders, their requests, and actions taken.

Article (305):

Documents Required for Inspection Request:

Each inspection request must include the following:

- An original and sufficient copies of a signed memorandum explaining the reason for the inspection and supporting grounds.
- A bank certificate confirming that shareholders own the legal threshold of shares (20% for banks, 10% for other companies), and that these shares are frozen until a decision is made, with notification from the competent authority.
- If a joint stock company is among the applicants, a copy of the board resolution approving the inspection request must be submitted.

Article (306):

Acknowledgment of Receipt & Completion of Data:

A stamped copy of the request indicating receipt, registration number, and document list shall be returned to the applicant.

The Committee's secretariat may request any additional legally required information or documents within 10 days of registration.

Article (307):

Notifying the Company of the Request:

The Committee Secretariat shall send a copy of the inspection request and supporting memorandum (per Article 305) to the company within three days of receipt.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The company must reply in writing within eight days of notification.

A copy of the request is also sent to the Committee Chair to set a hearing date, and both parties are notified accordingly.

Article (308):

Submitting Documents:

Both the requesting shareholders and the company must submit documents in a folder, listing:

- Date and content of each document
- With an identical copy

The original folder is kept in the file, and the stamped copy is returned.
Documents may not be withdrawn before a decision is made, unless permitted by the Committee Chair.

Part Five: Branches and Representative Offices of Foreign Companies

Chapter One: Branches of Foreign Companies

Article (309):

Establishing Foreign Branches:

No foreign company may operate in Egypt without establishing a branch in accordance with the Commercial Registry Law.

The company must notify the General Department for Companies with registration documents, which will be recorded in a dedicated register.

Any foreign branch operating without following this procedure shall be administratively shut down.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (310):

Register of Foreign Branches:

The General Department for Companies shall keep a special register of all foreign branches in Egypt, including:

- Company name, legal form, and headquarters
- Branch address and business activity
- Date and number of registrations
- All other relevant data

Article (311):

Branch Auditor:

Each foreign branch must appoint an auditor meeting the same qualifications as auditors of joint stock companies.

Article (312):

Annual Disclosure by Foreign Branches:

Foreign branches must notify the Companies Department annually, within three months of the end of their fiscal year, with:

- Copies of financial statements and auditor's report
- Names and nationalities of managers
- Number, roles, nationalities, and total wages of employees (including Egyptian staff breakdown)
- Profits achieved and the share allocated to employees

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (313):

Employee Profit Share:

Employees in foreign branches are entitled to a share of the branch's profits generated in Egypt, as specified in Article 96 of these Regulations.

Article (314):

Displaying the Foreign Company Name:

Foreign branches in Egypt must include in all correspondence:

- The original company's name, nationality, legal form, and headquarters
- Purpose and capital
- The commercial registration number and branch address

Article (315):

Inspection of Foreign Branches:

The General Department for Companies has the right to inspect foreign branches and review their books to ensure compliance with laws and regulations.

It may request any necessary documents or clarifications.

Part Five: Branches and Representative Offices of Foreign Companies

Chapter Two: Representative Offices and Similar Entities

Article (316):

Operating Representative or Service Offices:

No representative, liaison, scientific, or technical office—limited to market research or production feasibility—may operate in Egypt without being registered with the General Department for Companies.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (317):

Registration of Offices:

Registration requests must include:

- Name, nationality, purpose, capital, and headquarters of the foreign company
- Whether it has a branch in Egypt
- Type and purpose of the office
- Permanent or temporary address

Required documents:

1. Company contract and bylaws, duly certified
2. Summary translation
3. Board resolution to open the office in Egypt
4. Name of office manager or temporary agent
5. **Registration fee: 1,000 EGP** (refundable if the request is rejected)

Article (318):

Approval of Registration:

The registration request is reviewed by the committee referenced in Article 18 of the Law. The company or its agent in Egypt is notified of the Committee's decision.

Article (319):

Permitted Activities After Registration:

Registered offices may only engage in approved market and production research activities. If they engage in prohibited activity, the office is struck from the register with committee approval.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

They may also be removed for legal violations or submitting false information.

Article (320):

Right to Inspect Offices:

The General Department for Companies may inspect these offices and review their books and records to ensure compliance and adherence to authorized activities.

Article (321):

Annual Disclosure Requirements:

These offices must annually inform the Companies Department of:

- Names, roles, nationalities, and salaries of staff
- Total payroll and percentage paid to Egyptian employees
- Activities undertaken during the year

Article (322):

Compliance with Regulations:

All existing foreign branches and representative offices must adjust their legal status in line with these regulations within three months of the law coming into effect.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Article (323):

Joint Stock Companies Established under Investment Law via Public Offering:

Joint stock companies established under Law No. 43 of 1974 and offering shares to the public must comply with Articles 10–25 of these regulations before launching the public offering.

The General Authority for Investment must verify that the company has completed all required public subscription procedures before issuing a ministerial license for establishment.

Article (324):

Amendment of Bylaws of Existing Companies:

When existing companies subject to the provisions of Law No. 26 of 1954 or other relevant laws undertake to amend their bylaws in accordance with the provisions of this Law, its Executive Regulations, and the model contracts, the Board of Directors or the managers, as the case may be, shall call for an Extraordinary General Assembly Meeting to convene with the quorum stipulated in the company's bylaws.

If the required quorum is not met, a second meeting shall be convened within thirty (30) days in accordance with the provisions of Article 299 of these Regulations. The second meeting shall be valid with the quorum specified in the bylaws, and if no such quorum is specified, the meeting shall be valid with the presence of shareholders representing at least one-quarter (¼) of the company's share capital, in accordance with the provisions of Article 70 of the Law.

The proposed amendments shall be referred to the General Department for Companies for review and subsequent submission to the Committee for the Examination of Company Incorporation Requests.

Where the Law requires the use of a specific instrument for issuing the bylaws, such bylaws must be issued using the same instrument after completing the procedures prescribed.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Annex No. 1

Information to Be Included in the Board of Directors' Report Submitted to the General Assembly

The report must provide a comprehensive overview of the company's business development and financial position during the fiscal year. Specifically, it must include the following:

- The overall condition of the company, the business results, and business outlook.
- The proposed dividends to be distributed to shareholders.
- Proposals concerning allocations to reserves.
- The main activities of the company and its subsidiaries, including any changes in the ownership of subsidiaries during the year.
- The current value of land — if the book value significantly differs from the current market value.
- Any major changes in fixed assets or any subsidiary companies.
- The proportion of business volume and net profit or loss distributed across the company's various principal activities.
- Export volume.
- Workforce size and the total employee remuneration.
- A statement of donations.
- A statement of shares and bonds issued during the year.
- Any additional material information that the Board of Directors deems necessary to present to the General Assembly.

Figures must be presented in comparison with those of the previous year.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Information to Be Included in the Prospectus for Public Subscription in Shares and Bonds of Joint Stock Companies

First: General Provisions

The prospectus must include the following details:

The company's name and legal form.

Date of the articles of incorporation.

Names, occupations, nationalities, and domiciles of the founders.

The company's purpose, registered office, and duration.

The issued capital at incorporation, the authorized capital (if any), the nominal value of shares, and number of shares. If the company increased its capital, the amounts and dates of such increases must be mentioned, and for the most recent increase, the amount and number of shares must be specified.

If there are different types of shares, a detailed description of the characteristics and related rights for each type, including rights in profit distribution and liquidation.

A statement regarding any founders' shares and what was provided to the company in return, along with a declaration by the founders or their representatives (as applicable) that the consideration cannot be valued in monetary terms, and the share of profits allocated to such shares.

If the public offering covers only part of the capital at incorporation or part of a capital increase, the method of subscription for the remaining portion must be clarified.

The subscription start date, the bank or company through which subscriptions will be accepted, and the closing date — which must be at least one month from the start date if the Egyptian ownership requirement is not fulfilled — as well as the legally mandated percentage of Egyptian ownership, if applicable.

The amount required upon subscription, which must be no less than one-quarter of the nominal share value, and the issuance expenses.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Names, titles, addresses of the Board of Directors members, managing director(s), and the remuneration, fees, and benefits allocated to them, the number of shares held by each, and the guarantee of their membership.

Names, addresses, and qualifications of the company's auditors.

A detailed estimate of incorporation expenses borne by the company from the initial concept through to issuance of the incorporation decree, including a separate disclosure of commissions or similar payments to any party for completing the subscription, and the method of payment of such commissions.

A list of contracts (and their subject matter) entered into by the founders within five years prior to the offering that are intended to be transferred to the company post-incorporation. If the contract involves purchasing an existing establishment in cash, the prospectus must include a report by the auditor of the establishment detailing the information referred to in item (3) of Section Five of this Annex.

The start and end dates of the fiscal year and the date of the first financial period.

The method for distributing the company's net profits.

The method of allocating shares and bonds in the event of over-subscription.

The auditor's report as specified below.

Second: Provisions Relating to In-Kind Shares

If in-kind shares are issued at incorporation or upon capital increase, the prospectus must include:

A summary of the tangible and intangible assets provided in exchange for in-kind shares, the names of their providers, the conditions of their provision, whether the providers are founders or members of the Board, a summary of how the company benefits from these assets, and the requested value of each type.

All exchange contracts involving the transferred real estate concluded in the five years prior to submission, a summary of key contract terms, and the revenue generated by such assets during this period.

All mortgages and liens established on the non-cash contributions.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Conditions under which the in-kind contributions may be redeemed in cash, where such an option exists.

The date of issuance of the decision by the committee formed by the General Authority for Investment and Free Zones to verify the correctness of the valuation of in-kind contributions, and a comprehensive summary of the committee's comments on the assets and their appraised values.

The number of fully paid shares issued in exchange for these in-kind contributions, based on the experts' valuation.

Third: Provisions Relating to Capital Increase

When shares are issued to increase capital, the prospectus must include:

Reference to the general assembly or board of directors' meeting that approved the increase, the legal provisions it was based on, confirmation that the original shares have been fully paid, or that the new issuance is exempted from this requirement, along with justification.

The amount of the increase, the number of shares, the issuance premium and its rationale. If there are different types of shares, a detailed description of each type's characteristics and rights, including in profit distribution and liquidation.

If part of the increase is against in-kind shares, the relevant provisions from Section Two apply.

A sufficient summary of the company's financial position, and a detailed explanation of the reasons for the capital increase and the anticipated benefits.

Fourth: Provisions Relating to Bonds

The bond prospectus must include:

Date of the general assembly resolution approving the issuance of bonds, the legal provisions relied upon, and the rationale (except for real estate or mortgage finance companies).

The net asset value of the company, certified by the auditor based on the latest general assembly-approved balance sheet, and a declaration by the board that the issued shares do not exceed this value, except where permitted by the competent minister, with a reference to the ministerial decision.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The company's paid-in capital and confirmation that it is fully paid, except for real estate and mortgage finance companies or those with special ministerial approval, or where the bonds are fully guaranteed by a first-ranking lien on company assets, by the state, or subscribed in full by banks or securities companies.

A statement of any preferential rights attached to any class of shares.

The loan amount, number of bonds, nominal value per bond, interest rate, and any other benefits attached to the bonds, including the deduction of any applicable taxes.

A statement indicating whether the issuance is at a premium or discount and the amount thereof.

Whether bond repayment will be at par value or at a premium/discount.

The loan term.

The loan repayment method: whether at maturity or through annual amortization, and in such a case, a clear explanation of the amortization procedure, conditions, method, and term.

The security of the loan: whether limited to fixed or current assets or both, with disclosure of the book value of those assets at issuance or based on the most recent approved balance sheet, provided no material change has occurred. Any pre-existing priority rights or liens must be clearly disclosed along with the amount of secured debt.

A summary of the company's financial position and total capital.

Reasons for issuing the loan and the anticipated benefits to the company.

Fifth: Auditor's Report

The prospectus must conclude with a report prepared and signed by the company's auditor, which must include:

Confirmation that the auditor has reviewed the prospectus and verified the financial data against the supporting documents, along with the result of this review.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

In the case of bond issuance or capital increase, the report must also include:

- Auditor's reports for the last two fiscal years preceding the capital increase.
- Results of operations (profit or loss) for the previous five fiscal years and dividend-to-capital ratios for each.
- The amount of reserves for each of the past five fiscal years.
- A summary of assets (classified into fixed and current) and liabilities for each of the past five fiscal years. If the company has been established for less than five years, information is provided for the available period only.

Annex No. 3

Audit Standards to Be Observed by the Auditor

The auditor is required to audit the company's accounts during the financial year in accordance with recognized professional standards. In particular, the auditor must adhere to the following rules:

The auditor must establish the foundations of the audit process in the form of a work plan for the financial year and follow up on its implementation in various phases. The results of the implementation must be documented.

Specifically, when preparing the audit plan for the financial year in which the auditor undertakes their responsibilities, the following actions must be observed:

- Review the audit file for previous years.
- Assess the impact of changes in laws, regulations, and instructions relevant to the company's activities.
- Conduct periodic reviews of financial and cost accounts.
- Consider any changes in the accounting methods and policies used by the company.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

The auditor must record all significant observations and information identified during the audit process — particularly those affecting the financial position. The auditor must also document the procedures and actions taken in relation to such observations, whether by the company or the auditor.

The auditor must study and examine the accounting system established for recording and documenting transactions in the company's books and records, and assess the adequacy of this system as a basis for:

- Preparing the balance sheet and the profit and loss statement.
- Monitoring and following up on the company's operations.
- Safeguarding the company's assets.
- Ensuring compliance with laws, regulations, and instructions related to the company's activities.

If the auditor intends to rely on the company's internal control system during the audit process, they must study and evaluate the control system and perform testing to ensure that it is functioning satisfactorily. These tests must include, in particular:

- The implementation of the established document flow procedures.
- Substantive and documentary testing to verify the accuracy of the data recorded in the books and records and its consistency with the supporting documents.

During the audit, the auditor must obtain sufficient and reliable audit evidence that allows them to form an opinion and provide commentary on the balance sheet and the profit and loss account under review.

For the balance sheet, the auditor must verify, based on adequate evidence, the following:

- That all assets and liabilities have been recorded.
- That the assets and liabilities reported in the balance sheet actually exist, that the company owns the listed assets, and that it is truly liable for the stated obligations.
- That the balances of assets and liabilities were calculated in accordance with generally accepted accounting principles, consistently applied from prior years.
- That capital, reserves, provisions, and all assets and liabilities are properly disclosed in the balance sheet.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

For the profit and loss account, the auditor must ensure:

- That all revenues and expenses have been recorded in the books.
- That all revenues and expenses relate to the financial period under review and have indeed been realized during that period.

The auditor must carry out a comprehensive audit of the balance sheet in order to issue an opinion on the following:

- Whether the balance sheet has been prepared in accordance with generally accepted accounting principles, consistently applied from year to year, and in a manner that aligns with the nature of the company's operations.
- Whether the business results, the company's financial position, and all data presented in the balance sheet are internally consistent and aligned with the information obtained by the auditor.
- Whether all data and information disclosed in the balance sheet have been appropriately and adequately disclosed.
- Whether the financial statements comply with applicable laws, regulations, and instructions relevant to the company and its business.
- The auditor's opinion on the financial statements, based on all tests performed and the comprehensive review of the balance sheet.

Annex No. 4

Note:

This annex has been repealed and replaced by Annex No. (3) attached to Ministerial Decree No. 503 of 1997 concerning the Egyptian Accounting Standards.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Annex No. 5

Conditions, Requirements, and Disclosures Included in the Consolidated Financial Statements

First: Definition and Presentation

Consolidated financial statements (Group Accounts) present the assets, liabilities, shareholders' equity, revenues, expenses, sources, and uses of the holding company and its subsidiaries as if they constituted a single economic entity, disregarding the legal boundaries between different units. The purpose is to provide a comprehensive view of the economic potential of the group and to disclose the structure of ownership in detail.

The primary purpose of preparing consolidated financial statements is to present a true and fair view of the profits, losses, and financial position of the group as a whole, from the perspective of the shareholders in the holding company, as if the group's operations were carried out through branches or departments rather than separate legal entities.

Second: Circumstances Requiring Consolidated Financial Statements

The holding company is required to prepare consolidated financial statements in the following cases:

- When the company and its shareholders own more than 50% of the capital of one or more subsidiary companies.
- When the company and its shareholders are shareholders in another company and have control over the composition of its board of directors.

A subsidiary to be included in the consolidated financial statements also includes any company controlled by a subsidiary of the holding company, or any company over which the holding company is granted control by court order or through a specific agreement.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Third: Key Consolidation Principles

Consolidated financial statements must be prepared in accordance with sound accounting standards, particularly:

- Consistent accounting policies must be applied across all entities included in the consolidation. Where unification is not possible, necessary adjustments must be made to align individual company statements with the group's policies.

- The holding company and its subsidiaries must have the same financial year-end, except for the first financial period following incorporation or regulation. If not possible, full disclosure must be made of the reasons and justification.

- The assets and liabilities of the subsidiary should be recorded at their book value as of the acquisition date. Any difference between the acquisition cost and the holding company's share in the net assets of the subsidiary must be shown in the consolidated balance sheet as either an asset or capital reserve, depending on the case.

- If the holding company acquires part or all of a subsidiary during the financial year, the subsidiary's results must be included only for the period of ownership. Similarly, results are included only up to the date of sale.

- If preferred shares with dividend rights are held outside the group, the holding company's share of profits is calculated after deducting the dividends due to those preferred shares, whether declared or not.

- If a subsidiary incurs losses exceeding its paid-in capital, the excess reduces liabilities in the consolidated balance sheet and must be disclosed in the notes. If the holding company is obligated to cover the entire excess, such losses are fully charged to the equity of the majority shareholders.

Fourth: Consolidation Rules and Procedures

Similar items of assets, liabilities, revenues, and expenses of the holding and subsidiary companies must be aggregated account by account, with the following eliminated:

- The holding company's investment cost in each subsidiary against its share in the capital, reserves, and pre-acquisition retained earnings/losses of the subsidiary.

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- Intercompany balances, particularly:
    - Bonds or financial instruments held by other group companies.
    - Intercompany loans.
    - Intercompany current accounts.
    - Notes receivable/payable between group companies.
- Intercompany sales, revenues, expenses, and dividend distributions during the period.
- Unrealized profits from intra-group transactions recorded in assets (e.g., inventory, fixed assets).
- Differences in intercompany receivables and payables resulting from unmatched transactions must be reconciled.
- Minority interests must be shown separately in the consolidated statements.

Fifth: Associates and Their Disclosure in Consolidated Statements

A company is considered an **associate** if the holding company and its shareholders:

- Own 20% to 50% of voting rights
- Have significant influence over its financial or operating policies.

Investments in associates are shown at acquisition cost. If the holding company's share of the net assets falls below cost, the difference is recognized as an impairment provision in the income statement.

Sixth: Disclosure Requirements

The notes to the consolidated financial statements must disclose:

- Consolidation principles and accounting policies used.
- Entities included in the consolidation, detailing name, activity, ownership percentage, and voting rights (if different from ownership).

Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- Analysis of reserves and retained earnings for both the holding company and consolidated subsidiaries.
- Significant amounts in the consolidated balance sheet and income statement.
- If any subsidiary follows different accounting policies, disclose the differences, their effect, and the reasons for applying such policies.
- If financial statement dates differ for some subsidiaries/associates, disclose their names, reporting dates, and reasons for not using a uniform financial period.
- If any subsidiary/associate was acquired or disposed of during the year, disclose transaction date and value.
- For each associate:
    - Name and percentage owned.
    - Investment balance in the consolidated statements.
    - Dividends and profit shares received during the period.
    - Profits or losses for the period, separating non-recurring items.

Seventh: Presentation of Holding Company Financial Statements

The holding company's financial statements and those of each subsidiary must be presented alongside the consolidated financial statements, using the templates outlined in Section Nine of this annex.

Eighth: Auditors

The consolidated financial statements must be audited by the same auditor(s) of the holding company. The audit must be conducted in accordance with applicable auditing standards and in compliance with the rules set out in Annex No. 3 of the executive regulations.

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46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

Ninth: Statement Templates

Consolidated Balance Sheet
As of __ / __ / 19__

(A detailed table follows including items under fixed assets, current assets, long-term investments, shareholders' equity, provisions, long/short-term liabilities, and off-balance sheet accounts, consistent with standard financial reporting formats.)

Consolidated Profit and Loss Account
For the Financial Year Ended __ / __ / 19__

(Includes breakdown of cost of sales, gross profit/loss, administrative and financing expenses, operating income, prior year adjustments, capital gains/losses, taxes, minority interests, and distributable net income.)

Consolidated Profit Distribution Statement
For the Financial Year Ended __ / __ / 19__

(Shows net profits/losses, reserves, dividends, directors' bonuses, employee shares, and retained earnings.)

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46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
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