COZ 4327

PRELIMINARY CONTRACT
for Incorporating Suez Canal Bank
S.A.E.
Subject to the Provisions of Law no. 43/1974

The present contract has been concluded by and between:

1. Arab International Bank
2. Misr Insurance Co.
3. Banque Misr
4. Banque du Caire
5. Bank of Alexandria
6. National Bank of Egypt
7. Fund of Employees at Suez Canal Authority
8. Fund of Employees at the Arab Contractors Co. "Osman Ahmed Osman & Co."
9. Eng. Abdel Azim Ahmed Lokma
10. Eng. Osman Ahmed Osman
11. Eng. Hatem Niazy Ibrahim Mostafa
12. Eng. Fawzy Rizk El Fata
13. Mr. Bahgat Saad Khalil
14. Mr. Mahmoud Kamel Yasin
15. Mr. Ibrahim Abdel Hafiz Osman
16. Mr. Tawfik Bebawy Mansour
17. Ahmed Abdel Rahman Anan
18. Mr. Mohamed Mahmoud Azab
19. Eng. Nematalla Boules Faragalla
20. Eng. Mahmoud Samy Abdel Kawy "Engineering Consultants' Group"
21. Mr. Youssef Yaccoub Bebawy
22. Eng. Mohamed Abdel Mohsen Shata
23. Eng. Ismail Ibrahim Osman
24. Mr. Gabr Ibrahim Gabr
25. Mr. Sayed Galal Mabrouk
26. Mr. Mohamed Mohamed Ali El Khawaga
27. Dr. Fathy Sayed Galal
28. Dr. Ahmed Maher Sayed Galal
29. Eng. Galal El Din Sayed Galal
30. Eng. Saad El Din Sayed Galal

ARTICLE 1

The signatories to this contract have agreed to incorporate an Egyptian Joint Stock Company with the authorization of the Government of the Arab Republic of Egypt in conformity with the provisions of the laws in force and the provisions of the System of Arab and Foreign Funds Investment and Free Zones promulgated by law no. 43/1974, the amending laws and the Articles of Association annexed to this deed.

ARTICLE 2

The name of the Company is: Suez Canal Bank

ARTICLE 3

Object of the Company: Practising all the permitted activity aspects of commercial banks in Egyptian and foreign currencies including, without limitation, whatever is related to all commercial banking works, financing foreign trade and foreign exchange operations, as well as making researches in, financing, incorporating and participating in the development projects in different sectors, especially in Suez Canal Zone and Free Zones, whether they are local, joint or foreign projects.

To achieve the foregoing, the Company is entitled to the following:

1. Accepting cash deposits in Egyptian and foreign currencies
2. Opening short, medium and long term loans
3. Guaranteeing the loans offered by other financing sources
4. Issuing letters of guarantee and other necessary sureties
5. Issuing shares and bonds on behalf of third party and receiving subscription thereto
6. Practising all the works related to securities on the local, Arab and international markets
7. Managing funds on third parties' account whether they are corporate or natural persons

8. Rendering technical, economic, financial, administrative and consulting services for projects and preparing the related investment and feasibility studies
9. Financing and incorporating projects whether on private account, third party's account or in participation with third party
10. Trying by different means to develop, set up and boost investment in different development sectors, whether by setting up new projects or expanding and developing existing projects
11. Obtaining- generally and without limitation- monetary resources from local and international money markets to be invested in the different aspects of the Company's activity
12. Carrying out all the other works and services which are necessary for the nature of the Company's activity

The Company may have an interest in, or participate in any manner in, authorities which carry out activities similar to its own or which may contribute to the fulfillment of its object in Egypt or abroad. The company may also merge with the aforementioned authorities, or may buy them or affiliate them, after obtaining the approval of the General Authority for Investment and Free Zones.

ARTICLE 4

The Head Office of the Company and its legal domicile shall be in the City of Ismailia, Arab Republic of Egypt. The Board of Directors may establish branches, offices or agencies thereof in Egypt or abroad..

ARTICLE 5

The fixed duration of the Company shall be fifty years from the date of publishing the Decree licensing incorporation thereof.

Any extension of the Company's duration should be conformable to the provisions in force on the extension date.

ARTICLE 6

The capital of the Company has been fixed at L.E. 10,000,000 (ten million Egyptian Pounds), divided into 1,000,000 (one million) cash shares; the value of each share is L.E. 10 (ten Pounds), to be settled in Egyptian Pound or the equivalent amount in American Dollar according to the highest rate announced by the Egyptian authorities (specially favourable rate) at the time of settlement.

ARTICLE 7

All the Company's shares are nominal. The founders who have signed this contract have subscribed to the Company's capital in full as follows:

Name	Nationality	No. of Shares	Nominal Value in Egyptian Pound	Currency of Settlement
1. Arab International Bank	Arab	125000	1250000	US$
2. Misr Insurance Co.	Egyptian	93000	930000	L.E.
		52000	520000	US$
3. Banque Misr	Egyptian	81000	810000	L.E.
		44000	440000	US$
4. Banque du Caire	Egyptian	81000	810000	L.E.
		44000	440000	US$
5. Bank of Alexandria	Egyptian	81000	810000	L.E.
		44000	440000	US$
6. National Bank of Egypt	Egyptian	66000	660000	L.E.
		44000	440000	US$
7. Fund of Employees at Suez Canal Authority	Egyptian	55000	550000	L.E.
8. Fund of Employees at the Arab Contractors Co. "Osman Ahmed Osman & Co."	"	55000	550000	L.E.
9. Eng. Abdel Azim Ahmed Lokma	Saudi	25000	250000	US$
10. Osman Ahmed Osman	Egyptian	14000	140000	"
11. Eng. Hatem Niazy Ibrahim Mostafa	Egyptian	14000	140000	US$
12. Eng. Fawzy Rizk El Fata	"	12000	120000	"

13. Mr. Bahgat Saad Khalil	"	7500	75000	"
14. Mr. Mahmoud Kamel Yasin	"	7000	70000	"
15. Mr. Ibrahim Abdel Hafiz Osman	"	7000	70000	"
16. Mr. Tawfik Bebawy Mansour	"	7000	70000	"
17. Mr. Ahmed Abdel Rahman Anan	"	5000	50000	L.E.
18. Mr. Mohamed Mahmoud Azab	"	5000	50000	"
19. Eng. Nematalla Boules Faragalla	"	5000	50000	"
20. Eng. Mahmoud Samy Abdel Kawy "Engineering Consultants' Group"	"	5000	50000	"
21. Mr. Youssef Yaccoub Bebawy	"	5000	50000	"
22. Eng. Mohamed Abdel Mohsen Shata	"	5000	50000	"
23. Eng. Ismail Ibrahim Osman	"	3500	35000	US$
24. Mr. Gabr Ibrahim Gabr	"	2000	20000	L.E.
25. Mr. Sayed Galal Mabrouk	"	1000	10000	"
26. Mr. Mohamed Mohamed Ali El Khawaga	"	1000	10000	"
27. Dr. Fathy Sayed Galal	"	1000	10000	"
28. Dr. Ahmed Maher Sayed Galal	"	1000	10000	"
29. Eng. Galal El Din Sayed Galal	"	1000	10000	"
30. Eng. Saad El Din Sayed Galal	"	1000	10000	"

The participation of the Egyptian side in the Company's capital amounts to 85%.

The founders have paid one-quarter of the full nominal value of the shares to which they have subscribed in the amount of L.E. 2,500,000 (two million and half Egyptian Pounds), including an amount equivalent to 1,125,000 (one million, one hundred and twenty five thousand Egyptian Pounds) in American Dollar at the National Bank of Egypt, Banque Misr, Banque du Caire and Bank of Alexandria.

This amount may not be withdrawn after publishing the Decree licensing the incorporation of the Company except by virtue of a resolution by the General Meeting.
Each subscriber to the Company's capital shall be bound to pay 20 (twenty) Piasters or the equivalent thereof in American Dollar, according to the foregoing article, as gross spread for each share.

ARTICLE 8

The Company founders who are corporate persons undertake to put part of their quotas, not exceeding ten percent of the shares of the Company's capital, to pubic subscription in Egyptian Pound and American Dollar, within a maximum of six months as from the date of the Decree licensing the incorporation of the Company through the Company directly, according to the conditions and terms decided by the General Meeting.

ARTICLE 9

The signatories to this contract undertake to obtain the approval of the General Authority for Investment and Free Zones and sue out the Decree licensing the incorporation of the Company. They also undertake to take all the procedures necessary for completing the incorporation of the Company. To this end they hereby authorize Mr. Mohamed Mohamed Ali El Khawaga, to carry out the publication procedure and the inscription of the company in the commercial Register, to undertake the legal proceedings, to complete the documents required and to introduce the modifications deemed necessary by the competent authorities whether in the present Deed or the Articles of Association annexed hereto and invite the first General Meeting to convene within one month as from the date of publishing the Decree of incorporating the Company.

ARTICLE 10

The Company shall be obligated to pay all expenses, costs, wages and charges incurred by reason of the incorporation of the Company by debiting the General Expenses Account.

ARTICLE 11

This Deed has been concluded in the City of Cairo, A.R.E. on Safar 14, 1398 (Hijra), corresponding to Jan. 23, 1978 (A.D.) in fifty copies, one for each contracting party, the remaining copies to be delivered to the Authorities concerned for the purpose of promulgating the decree authorizing incorporation.

ARTICLES OF ASSOCIATION OF

CHAPTER ONE
INCORPORATION OF THE COMPANY

ARTICLE 1

An Egyptian Joint Stock Company has been incorporated according to the provisions of the laws in force in the A.R.E. and within the system of the Arab and Foreign Funds Investment and Free Zones promulgated by Law no. 43/1974, the amending laws and according to the following Articles of Association and conditions.

ARTICLE 2

The name of the Company is: Suez Canal Bank

ARTICLE 3

Object of the Company: Practising all the permitted activity aspects of commercial banks in Egyptian and foreign currencies including, without limitation, whatever is related to all commercial banking works, financing foreign trade and foreign exchange operations, as well as making researches in, financing, incorporating and participating in the development projects in different sectors, especially in Suez Canal Zone and Free Zones, whether they are local, joint or foreign projects.

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3. Guaranteeing the loans offered by other financing sources
4. Issuing letters of guarantee and other necessary sureties
5. Issuing shares and bonds on behalf of third party and receiving subscription thereto
6. Practising all the works related to securities on the local, Arab and international markets
7. Managing funds on third parties' account whether they are corporate or natural persons
8. Rendering technical, economic, financial, administrative and consulting services for projects and preparing the related investment and feasibility studies
9. Financing and incorporating projects whether on private account, third party's account or in participation with third party
10. Trying by different means to develop, set up and boost investment in different development sectors, whether by setting up new projects or expanding and developing existing projects
11. Obtaining- generally and without limitation- monetary resources from local and international money markets to be invested in the different aspects of the Company's activity
12. Carrying out all the other works and services which are necessary for the nature of the Company's activity

The Company may have an interest in, or participate in any manner in, authorities which carry out activities similar to its own or which may contribute to the fulfillment of its object in Egypt or abroad.

The company may also merge with the aforementioned authorities, or may buy them or affiliate them, after obtaining the approval of the General Authority for Investment and Free Zones.

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ARTICLE 5

The fixed duration of the Company shall be fifty years from the date of publishing the Decree licensing incorporation thereof.

Any extension of the Company's duration should be conformable to the provisions in force on the extension date.

CHAPTER TWO
CAPITAL OF THE COMPANY

ARTICLE 6

The capital of the Company has been fixed at L.E. 10,000,000 (ten million Egyptian Pounds), divided into 1,000,000 (one million) cash shares; the value of each share is L.E. 10 (ten Pounds), to be settled in Egyptian Pound or the equivalent amount in American Dollar according to the highest rate announced by the Egyptian authorities (specially favourable rate) at the time of settlement.

ARTICLE 7

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		44000	440000	US$
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9. Eng. Abdel Azim Ahmed Lokma	Saudi	25000	250000	US$
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12. Eng. Fawzy Rizk El Fata	"	12000	120000	"
13. Mr. Bahgat Saad Khalil	"	7500	75000	"
14. Mr. Mahmoud Kamel Yasin	"	7000	70000	"
15. Mr. Ibrahim Abdel Hafiz Osman	"	7000	70000	"
16. Mr. Tawfik Bebawy Mansour	"	7000	70000	"
17. Mr. Ahmed Abdel Rahman Anan	"	5000	50000	L.E.
18. Mr. Mohamed Mahmoud	"	5000	50000	"

Azab				
19. Eng. Nematalla Boules Faragalla	"	5000	50000	"
20. Eng. Mahmoud Samy Abdel Kawy "Engineering Consultants' Group"	"	5000	50000	"
21. Mr. Youssef Yaccoub Bebawy	"	5000	50000	"
22. Eng. Mohamed Abdel Mohsen Shata	"	5000	50000	"
23. Eng. Ismail Ibrahim Osman	"	3500	35000	US$
24. Mr. Gabr Ibrahim Gabr	"	2000	20000	L.E.
25. Mr. Sayed Galal Mabrouk	"	1000	10000	"
26. Mr. Mohamed Mohamed Ali El Khawaga	"	1000	10000	"
27. Dr. Fathy Sayed Galal	"	1000	10000	"
28. Dr. Ahmed Maher Sayed Galal	"	1000	10000	"
29. Eng. Galal El Din Sayed Galal	"	1000	10000	"
30. Eng. Saad El Din Sayed Galal	"	1000	10000	"

The founders have paid one-quarter of the full nominal value of the shares to which they have subscribed in the amount of L.E. 2,500,000 (two million and half Egyptian Pounds), including an amount equivalent to 1,125,000 (one million, one hundred and twenty five thousand Egyptian Pounds) in American Dollar at the National Bank of Egypt, Banque Misr, Banque du Caire and Bank of Alexandria.

This amount may not be withdrawn after publishing the Decree licensing the incorporation of the Company except by virtue of a resolution by the General Meeting.

Each subscriber to the Company's capital shall be bound to pay 20 (twenty) Piasters or the equivalent thereof in American Dollar, according to the foregoing article, as gross spread for each share.

ARTICLE 8

The Company founders who are corporate persons undertake to put part of their quotas, not exceeding ten percent of the shares of the Company's capital, to pubic subscription in Egyptian Pound and American Dollar, within a maximum of six months as from the date of publishing the Decree licensing the incorporation of the Company through the Company directly, according to the conditions and terms decided by the General Meeting.

ARTICLE 9

Payment of the balance of the value of each share shall be made within a maximum period of five years from the date of publishing the Decree licensing the Company's incorporation, at the dates and in the manner designated by the Board of Directors, provided that such dates shall be announced at least fifteen days prior to their due dates, and the amounts so paid shall be recorded on the share documents. Any share which has not been validly annotated to the effect that amounts due have actually been settled, its circulation shall inevitably be null and void.

Any amount due for settlement in respect of the unpaid value of the share the payment of which is delayed beyond the due date shall bear interest in favor of the company at the rate of 7% annually, as from the day such amount fell due in addition to the damages resulting from non-settlement in foreign currency represented in particular in the difference between the local interest rate and the international interest rate. The numbers of the shares from which due amounts are delayed shall be published in two daily newspapers issued in Cairo (one of them at least should be in Arabic) in the circular specified therefor.

Without prejudice to the participation of the Egyptian side in the capital, the Company's Board of Directors shall be entitled (after notifying the General Authority for Investment and Free Zones and according to a previous authorization therefrom, if payment is effected in free foreign currency) to sell such shares of the defaulting

shareholder, for his account & risk and on his responsibility without any need for official notice or legal procedures.

The documents of the shares sold according to the foregoing method shall be inevitably abrogated, on condition that new documents carrying the same numbers shall be delivered to the purchasers instead.

The Board of Directors of the Company shall then deduct from the proceeds of sale all claims due to the company, comprising the principal, interests and expenses, after which the account of the shareholder whose shares were sold shall be settled by refunding any excess accruing to him or by claiming the difference from him in case of deficit.

The foregoing procedure shall not in any way preclude the Company, at the same time or at any time thereafter, from exploiting all the rights to which it is entitled pursuant to the general provisions of law towards the defaulting shareholder.

ARTICLE 10

Shares or certificates representing the shares shall be extracted from a book with counterfoils. They shall be given serial numbers and shall be signed by two members of the Board of Directors and imprinted with the seal of the Company and another seal on the shares representing the quota of the Egyptian side, prohibiting circulation thereof for non-Egyptians.

The share must particularly mention the date of issuing the Decree licensing incorporation of the Company, date of publishing it in the official gazette, the capital, the percentage of participation of the Egyptian side, the number of shares to which distribution is effected, characteristics thereof, object of the Company and head office and duration thereof, and the date fixed for convening the Ordinary General Meeting.

Shares shall have serially numbered coupons which shall also indicate the number of the share.

ARTICLE 11

Transfer of ownership of shares shall be made by establishing the disposal in writing in an ad hoc register held by the company to be named "The register of Transfer of Share Ownership". Such transfer shall be made after submission of a declaration signed by both the assignor and the assignee. The Company shall be entitled to request authentication of the signatures of the two parties as proof of their capacity by legal methods.

And although assignment is made and duly recorded in the Register of Transfer of Share Ownership, both the original subscribers and the subsequent assignors shall remain jointly liable between themselves and with the assignees for the amounts still outstanding until the value of the shares has been paid in full, however, the joint liability of the assignor shall lapse after two years dating from the date of assignment. Two members of the Company's Board of Directors shall sign the certificates proving the recording of nominal shares in the transfer of Share Ownership Register. In case shares revert to a third party by reason of inheritance or any other reason this procedure shall be followed.

ARTICLE 12

All shares shall be subject to equal obligations. The liability of the shareholder shall be confined to the value of each share held by him and may not be increased.

ARTICLE 13

The ownership of a share shall inevitably entail the acceptance of the company's Articles of Association and the resolutions of its General Meeting.

ARTICLE 14

Each share shall be indivisible.

ARTICLE 15

Neither the heirs of a shareholder nor his creditors may, for any reason, demand that the company's books, securities or properties be sealed. They may not ask for dividing the Company or selling it in whole by reason of its indivisibility, nor shall they interfere in any way, in the management of the Company. In exercising their rights, they shall depend on the Company's inventory lists, its closing accounts, and the resolutions of its General Meeting.

ARTICLE 16

Each share shall rank pari passu with each other share, without any preference in the ownership of the Company's assets and the distribution of profits in the manner stated hereinafter.

ARTICLE 17

Dividends due on the shares shall be paid to the last owner whose name appears on the Company's Register and he shall be the only one entitled to receive all sums due on the share whether such sums represent profits shares or share in the Company's assets.

ARTICLE 18

Subject to the provisions of Article 12 of law no. 26/1954, increase of the Company's capital may be effected (by issuing new shares of the same nominal value of the original shares) and it may be reduced. The approval of the General Authority for Investment and Free Zones should be obtained in both cases.

The new shares should not be issued at a value less than the nominal value thereof. If they are issued at a higher value, the difference should be added to the legal reserve. The increase or decrease in capital shall be effected by a resolution of the General Meeting of shareholders according to the proposal of the Board of Directors indicating - in case of increase- the amount of increase, the price of issuing shares and the priority rights for existing shareholders to subscribe to the increase shares. In case of decrease, the amount and method of decrease shall be indicated.

CHAPTER THREE
DEBENTURES

ARTICLE 19

Taking into consideration the provisions of Article 18 of Law 26/1954, the General Meeting may decide to issue debentures of any type, the resolution adopted indicating the value of the debentures and the conditions of issuance as well as the extent of their eligibility for conversion into shares.

CHAPTER FOUR
MANAGEMENT OF THE COMPANY

SECTION ONE
THE BOARD OF DIRECTORS OF THE COMPANY

ARTICLE 20

The Company shall be managed by a Board of Directors composed of not less than nine members and of not more than fifteen members to be appointed by the General Meeting, provided that the owners of shares shall be represented by a number of members proportionate to their shares in the Company's capital. Each shareholder who owns ten percent at least of the capital should be represented by a member in the Board.

As an exception to the foregoing appointment procedure , the founders have appointed the first Board of Directors composed of eleven members as specified hereunder:

1.	Mr. Mohamed Mohamed Ali El Khawaga	
2.	Mr. Hekmat Sayed Ahmed Rizk	for the Arab International Bank
3.	Mr. Fathy Mohamed Ibrahim	for Misr Insurance Co.
4.	Mr. Ahmed Mahmoud Fouad	for Banque Misr
5.	Mr. Mohamed Ezzat Fahmy	for Banque du Caire
6.	Mr. Mohamed Mostafa El Bayoumy	for Bank of Alexandria
7.	Mr. Mohamed Abdel Moneim Roshdy	for the National Bank of Egypt
8.	Mr. Ahmed Magdy Hegazy	for the Fund of Employees at Suez Canal Authority
9.	Mr. Nabil Azmy Abdel Wahab Azmy	for the Fund of Employees at the Arab Contractors Co. "Osman Ahmed Osman & Co."
10.	Mr. Abdel Azim Ahmed Lokma	
11.	A member to be chosen by the General Meeting	

ARTICLE 21

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

However, the Board of Directors appointed in accordance with the preceding Article shall continue to perform its duties for a period of five years. At the end of this period the board is re-formed. The members whose term of membership has expired may be re-appointed.

But this provision shall not prejudice the right of the corporate body member of the Board of Directors to substitute its representative on the Board regardless of the previous period, provided that the General Meting shall approve this substitution in its first meeting.

ARTICLE 22

The Board of Directors may admit new members thereto if it deems it appropriate on condition that the number of the admitted members should not exceed half of the Board members at the time of convening the last General Meeting and that the members of the board should not exceed fifteen members.

The Board of Directors may appoint members to fill in the vacancies which occur during the year. But it shall be obligated to make such appointment should the number of the members of the Board fall below nine members.

The members appointed in the manner set forth in the two preceding paragraphs shall assume office on the sport, provided that the General Meeting shall approve their appointment in the first following meeting thereof.

ARTICLE 23

The Board of Directors shall appoint from among its members a Chairman and fix his remuneration. In case of absence of the Chairman, it shall appoint someone from among its members to carry out temporarily the duties of the Chairman. The Founders have appointed Mr. Mohamed Mohamed Ali El Khawaga as Chairman of the first Board of Directors.

ARTICLE 24

The board of directors may appoint from among its members one or more Managing Directors whose powers and remuneration shall be determined by the Board. It may also set up one or more committees from among its members, to which some of the Board's powers may be delegated or which may be entrusted with the supervision of the progress of work at the Company and of the implementation of the decisions of the Board.

ARTICLE 25

The Board of Directors shall hold its meetings at the Company's Head Office at the request of the Chairman of the Board whenever the Company's interests call for such meetings or at the request of six members. The Board shall convene at least four times during each financial year. No complete four months may elapse without convening the Board.

The Board may also convene outside the Company's Head Office, provided that all its members shall be present or represented* at the meeting which shall be held in Egypt.

Convening exceptional meetings of the Board of the Company in a specific city outside Egypt may be stipulated if the company is exposed to particular conditions permitting this exception, on condition that all the members should be attending or represented in the meeting.

ARTICLE 26

Meetings of the Board shall not be valid unless attended by numerical majority of Board members.

ARTICLE 27

Resolutions of the Board of Directors shall be taken by majority of votes attending the meeting, and in the event of equality of votes the Chairman shall have a casting vote.

The approval of two-thirds of the attending members should be obtained regarding the following resolutions:

1. Proposing increase or decrease in the capital
2. Extending or shortening the Company's duration

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* The word "or representatives" has been added in the correction published in the Egyptian Chronicles on March 11, 1978- issue 58

3. Using the reserves in purposes other than those for which they are allocated.

ARTICLE 28

The Board of Directors shall have the widest powers to manage the Company with the exception of those matters explicitly reserved by the Company's Articles of Association to the General Meeting. Without limitation to these powers, it may exercise all disposals except for donations which it should practise according to the provisions of Articles 40, 42 of Law no. 26/1954. The Board may lay down the regulations relating to administrative and financial affairs, personnel affairs and financial treatment thereof. It shall also lay down regulations governing the organization of its work and meetings, and the distribution of powers and responsibilities.

ARTICLE 29

The Chairman of the Board shall represent the Company before the law courts.

ARTICLE 30

The board Chairman, the Managing Directors and any other member delegated by the Board of Directors for this purpose shall each have the right to sign severally for the Company.

The board of directors shall have the right to appoint several managers or authorized agents and empower them also to sign for the Company severally or jointly.

ARTICLE 31

Members of the Board of Directors, when undertaking the functions of their posts within the limits of their mandate, shall not bear any personal responsibility in respect of the liabilities of the Company.

ARTICLE 32

The remuneration of the board of directors shall consist of the percentage stipulated in Article 52 of these Articles of Association and the allowances which the General Meeting shall determine every year.

SECTION TWO
THE AUXILIARY ADMINISTRATIVE COMMITTEE

ARTICLE 33

The Company's Board of Directors shall set up an Auxiliary Administrative Committee from among the staff and workers in which Egyptians and foreigners shall be represented, when the number of personnel and workers amounts to two thousand.

ARTICLE 34

The said Committee shall undertake the study of all subjects relating to increasing and developing production, good exploitation of the available resources and whatever leads to production increase and sufficiency, as well as studying the labour programmes at the Company having regard to sound economic management, in addition to such other matters as may be referred to it by the Board of Directors or the Managing Director. The Committee shall present its recommendations and findings to the Board of Directors.

ARTICLE 35

The Committee shall appoint from among its members a Chairman, and in the event of his absence shall appoint the member who shall assume temporarily Chairmanship duties.

The committee's meetings shall be attended by the Managing Director or his deputy selected out of the Board members, and by a number of the Directors in charge in the Company, selected by the Managing Director but who shall not have a countable vote in the deliberations.

ARTICLE 36

The Board of Directors shall lay down the rules and conditions governing selection of the Committee members, the period of membership, the method of renewal, the organization of its work, and the remuneration of its members according to the rules laid down by the General Authority for Investment and Free Zones. The Committee shall convene at least once every three months, and its meeting shall not be valid unless it is attended by at least one third of the members. Resolutions shall be taken by the majority of votes of the attendees, and in the event of equality of votes the Chairman shall have a casting vote.

ARTICLE 37

The Committee shall draw up an annual report in the course of the Company's financial year to be submitted to the Board of Directors, indicating the subjects referred to it, its recommendations in this connection and the proposals it deems appropriate to put before the Board, the implementation of which shall achieve the Company's interests.

CHAPTER FIVE
THE GENERAL MEETING

ARTICLE 38

The valid General Meeting represents all the shareholders and may only convene in the City of Ismialia, Arab Republic of Egypt.

However, the Meeting may be convened in the City of Cairo due to reasons decided by the Board of Directors.

ARTICLE 39

Each shareholder possessing ten shares shall be entitled to attend the General Meeting either in person or by delegating another shareholder. A shareholder may not delegate a Board member to attend the General Meeting.

To be valid a proxy must be established by means of a written special authentic power of attorney or that which signatures are legalized. The proxy should be a shareholder and not a member of the Board.

With the exception of the corporate bodies no shareholder, either in his capacity as principal or as agent for third party, shall have a number of votes in excess of 25% of the votes prescribed for the shares of the attendees.

In all cases, an agent, in this capacity, should not hold a number of shares exceeding 5% of the shares of the capital of the Company.

ARTICLE 40

Shareholders who wish to attend the General Meeting shall prove that they have deposited their shares at the Company's Head Office or at one of the banks in Egypt or abroad which are determined in the meeting invitation notification at least three days before convening the General Meeting.

Recording of the transfer of ownership of shares in the Company's Register of Transfer of Share Ownership may not be effected from the date of addressing the invitation to attend the meeting until closing of the General Meeting.

ARTICLE 41

The General Meeting shall be headed by the Chairman of the Board of Directors. In his absence it shall be headed by the member who carries out temporarily the duties of the Chairman.

The chairman shall appoint a secretary and two tellers, provided that the General Meeting shall approve their appointment.

ARTICLE 42

The Ordinary General Meeting shall convene annually, within six months following the end of the financial year of the Company, at the place, date and time fixed in the invitation to attend. The invitation comprising the Agenda shall be addressed to all shareholders by registered letters with acknowledgment of receipt or by being published in two daily newspapers according to the Law.

It shall convene to consider in particular the Board's report on the Company's activity and financial position, as well as the Auditor's report, ratify the balance-sheet of the fiscal year and the profit and loss account, determine dividends distributed to shareholders, employees, and workers, elect the Auditors and fix their remuneration and elect the members of the Board if it is necessary.

ARTICLE 43

The Board of Directors may decide to call the General Meeting whenever it deems it necessary.

The Board should invite the General Meeting to convene whenever requested to do so- for a specific purpose- by the Auditors, or by a number of shareholders possessing at least one-tenth of the Company's capital.

In the latter case, these shareholders should prove, before sending any invitation, that they have deposited their shares at the Head Office of the Company or at one of the banks of Egypt. Such shares may not be withdrawn except after the closing of the General Meeting.

Copies of the documents of the invitation to attend shall be sent to the General Authority for Investment and Free Zones and the Companies

General Administration at the same time of publishing the invitation or sending it to the shareholders.

ARTICLE 44

In case of absolute necessity, the Auditors may convene the General Meeting, and in this case they shall prepare the Agenda and publish it or send it to the shareholders in person.

A copy of the documents of the invitation to attend the meeting shall be sent to the General Authority for Investment and Free Zones and the Companies General Administration at the same time of publishing the invitation or sending it to the shareholders.

ARTICLE 45

The General Meeting shall be validly held if 60% of the shares in the Company's capital at least is represented therein.
In case the quorum stipulated in the previous paragraph is not achieved in the meeting, the General Meeting shall be invited to a second meeting to be held within thirty days of the first meeting.

The second meeting shall be deemed validly held whatever the number of shares represented therein may be.

In all cases, the resolutions shall be adopted by the majority of shares in the capital represented by the attendees, and in the event of equality the Chairman shall have a casting vote.

ARTICLE 46

Except for amending the original object of the Company or increasing the shareholders' liabilities, an Extraordinary General Meeting shall be empowered to amend these Articles of Association, including decrease or increase of the capital, shortening or extension of the Company's duration, or changing the rate of loss leading to mandatory dissolution

of the Company or merger of the company with another company. The subject-mater of amendment should be stated in detail in the invitation. The attendees should represent three-quarters of the Company capital shares at least. In this case, resolutions are adopted by the majority of two-thirds of the shares in the capital represented by the attendees.

If the quorum stated in the previous paragraph is not achieved in the meeting, the General Meeting shall issue a temporary resolution by the majority of the shares in the capital represented by the attendees, then it shall be invited to a second meeting after fifteen days. The second meeting shall be deemed validly held if it is attended by those who represent one half of the Company's capital shares at least. A resolution shall not be valid unless it is adopted by two thirds majority of the shares in capital represented by the attendees.

In all cases, the resolutions of the General Meeting amending the provisions of these Articles of Association should not be implemented except after obtaining the approval of the General Authority for Investment and Free Zones.

ARTICLE 47

The General Meeting shall not deliberate over items other than those tabled on the Agenda stated in the invitation notification.

ARTICLE 48

The resolutions adopted by the General Meeting issued according to the these Articles of Association shall be binding to all shareholders whether they attended the meeting where such resolutions were issued or were absent, dissidents or losing or lacking capacity.

CHAPTER SIX
THE AUDITORS

ARTICLE 49

The Company shall have two Auditors who are natural persons, Egyptians, appointed by the General Meeting which shall fix their remuneration.

As an exception to the foregoing the founders have appointed
1. Dr. Abdel Aziz Ahmed Hegazy, domiciled at 3, Monshaet El Kataba St., Cairo, Arab Republic of Egypt
2. Mr. Ali Mohamed El Sabawy, domiciled at 34, Abdel Khalek Sarwat St., Cairo, Arab Republic of Egypt

as the First Auditors of the Company.

The Auditors shall be questionable on the accuracy of the data contained in their report in their capacity as agents for all the shareholders. During the session of the General Meeting each shareholder may question the Auditors' report and request clarification of its contents.

CHAPTER SEVEN

COMPANY'S FINANCIAL YEAR - INVENTORY - CLOSING ACCOUNT - RESERVE FUND - DISTRIBUTION OF PROFITS

ARTICLE 50

The Company's financial year shall commence on the First of January and shall end on the 31st of December every year. However, the first financial year shall cover the period from the date of publishing the Articles of Association of the Company and its incorporation contract,

according to the provisions of Law no. 43/1974 until the end of December of the following year.

ARTICLE 51

The Board of Directors shall prepare for every financial year - at such a date that would allow convening the General Meeting within a maximum of six months after the end of the financial year - the balance sheet of the Company, its profit and loss account that shall include all the particulars required by the Executive Regulations of the System of Arab and Foreign Funds Investment and Free Zones promulgated by Law 43/1974, and those determined by the General Authority for Investment.

The Board shall also prepare its report on the Company's activity during the financial year and its financial position at the end of the same year.

ARTICLE 52

The annual net profits of the Company, after deduction of general expenses and other charges, shall be distributed as follows:

A. At first an amount equal to 10% of profits shall be deducted to constitute the legal reserve; deduction being terminated once the total reserve has reached an amount equal to 100% of the company's paid capital. In case the said reserve is reduced, deduction from profits shall be resumed.

B. An amount shall then be deducted for the distribution of an initial dividend to shareholders equal to 5% for the amounts paid from their shares.

However in the event that profits of one year do not allow the distribution of such a dividend, it may not be claimed from the profits of subsequent years.

C. After the foregoing deductions, a percentage of profits shall be allocated to employees and workers of the Company according to the rules proposed by the Board of the Company and approved by the General Meeting.

D. Afterwards, an amount equal to 10% of the balance of profits shall then be allocated as remuneration for the Board of Directors.

E. After the foregoing deductions, the remaining profits shall be distributed to shareholders as an additional dividend, or may be carried forward to the following year on the proposal of the Board of Directors, or may be used for the formation of extraordinary reserve or depreciation funds, or any other purposes according to the decision of the Board of Directors

ARTICLE 53

Reserves shall be used by virtue of a resolution adopted by the Board of Directors in the best interests of the Company.

ARTICLE 54

Without infringement of the provisions of Article 22 of Law 43/1974 and the systems in force, dividends shall be paid to shareholders at such a time and place as may be determined by the Board of Directors.

CHAPTER EIGHT
LIABILITY

ARTICLE 55

Any resolution adopted by the General Meeting shall not entail the lapse of suit in civil liability against the members of the Board of Directors in connection with the mistakes committed by them in

performing their duties. And if act entailing responsibility has been brought before the General Meeting pursuant to a report by the Board of Directors or the Auditor, such suit shall lapse after one year following date of adoption of General Meeting resolution ratifying the report of the Board of Directors.

However, if the act attributed to Board members constitutes a crime or a misdemeanor the suit shall not lapse except if the public prosecution has lapsed.

CHAPTER NINE
DISSOLUTION AND LIQUIDATION OF THE COMPANY

ARTICLE 56

The Company shall be dissolved before the expiry of its term in case of loss of one half of its capital unless the Extraordinary General Meeting decides otherwise.

ARTICLE 57

In case of expiry of the Company's duration or premature dissolution thereof, the General Meeting shall determine- at the request of the Board of Directors- the method of liquidation, appoint one or more liquidators and determine their powers. The Board of Directors mandate shall expire on the appointment of the liquidators.

However, the powers of the General Meeting shall continue to prevail throughout the period of liquidation, until the liquidators are discharged of their responsibilities.

CHAPTER TEN

FINAL PROVISIONS

ARTICLE 58

All expenses and fees paid for the incorporation of the Company shall be charged to the General Expenses Account.

ARTICLE 59

These Articles of Association shall be deposited and published in accordance with the Law.