

EFSA Board of Directors' Decision No. 67 of 2010

Dated 17/ 5/ 2010

On amendments to some rules

For listing, continuation of listing and delisting of securities on the Exchange

Chairman of the EFSA Board of Directors

After consideration of the Capital Market Law promulgated by Law No. 95 of 1992 and its executive regulations, and the Authority's Decisions issued for their implementation;

Law on Depository and Central Registry of Securities promulgated by Law No. 93 of 2000 and its executive regulations;

Law on Regulation of Oversight of financial, non-banking markets and instruments promulgated by Law No. 10 of 2009;

Presidential Decision No. 191 of 2009 on provisions regulating Egypt Stock Exchange and its financial affairs;

Presidential Decision No. 192 of 2009 promulgating the statute of the EFSA;

The Capital Market Authority Board of Directors' Decision No. 30 on 18/ 6/ 2002 regarding rules of listing, continuation of listing and delisting of securities on Cairo and Alexandria stock exchanges and its amendments;

The Capital Market Authority Board of Directors' Decision No. 62 of 2007 dated 11/ 7/ 2007 regarding rules for listing securities issued by small and medium enterprises;

Approval of the Authority Board of Directors in its session no. 8 of 2010 dated 17/ 5/ 2010,

DECIDED

Article (1)

A second paragraph shall be added to Article (12) of the rules referred to and related to listing, continuation of listing, and delisting of securities on Egypt Stock Exchange, reading as follows:

“The Exchange shall disseminate disclosures it receives from the Authority or data and information that companies must notify the Exchange of, in accordance with the provisions of these rules.”

Article (2)

The first paragraph of Article (16) of the rules referred to and related to listing, continuation of listing, and delisting of securities on Egypt Stock Exchange shall be replaced with five new paragraphs, reading as follows:

Board of directors of companies or their ordinary or extraordinary assembly may not convene during trading sessions on the Exchange. Companies shall submit to the EFSA and the Exchange a summary of the minutes of meetings of the board of directors, the ordinary/ extraordinary general assembly immediately or before the first trading session following the date of the meeting.

The company must secure approval from the competent administrative entity for its minutes of meetings no later than ten days at most from the date of the meeting.

The company shall submit to the Authority and the Exchange its minutes of meetings immediately after their approval and shall file with the Authority any subsequent measures it takes at the competent administrative entities to implement the decisions of the competent authority in the company.

If the company wishes to call upon the competent authority therein to issue a Decision related to amendment to the authorized/ issued capital, adjusting the par value of its securities listed on Egypt Stock Exchange, or amending the purpose of the company, it has to submit to the EFSA the content of the invitation made in the Authority-developed form in accordance with requirements of disclosure set out in the form. This invitation shall not be published or reported to its addressees until after the Authority verifies the adequacy of disclosure.

The company shall publish the invitation or report it to its addressees and shall disclose it on Egypt Stock Exchange and the Authority during one week at most from the date of informing the company that the Authority has completed verification of the adequacy of disclosure. “

Article (3)

Items (5) and (6) of Article 29(bis) of the rules referred to and related to listing, continuation of listing, and delisting of securities on Egypt Stock Exchange shall be cancelled and Item (7) shall be renumbered to read as (5).

Article (4)

The first paragraph of Article 32(bis) of the rules referred to and related to listing, continuation of listing, and delisting of securities on Egypt Stock Exchange shall be replaced with the following text:

“Each listed company wishing to issue shares of capital increase with a subscription right must prepare the increase advertisement using the Authority-developed form, and after coordination with the Authority, the Exchange and Misr for Clearing. The advertisement must include all data that must be available in the general prospectus for capital increase.”

Article (5)

Item (2) and (3) of Article (35) of the rules referred to and related to listing, continuation of listing, and delisting of securities on Egypt Stock Exchange shall be replaced with the following items:

2. In case one of the shareholders or some thereof object to the Decision of delisting, they shall have the right to sell their shares to the company at the highest price [recorded] in the month prior to the date on which the board of directors issued an invitation for an extraordinary general assembly to consider delisting or at the average closing prices of the shares of the company during the three months preceding the date of the above mentioned Decision, whichever is higher.
3. No objection is made by any other party to whom the company shares are pledged as security for a debt of the company or one of its shareholders within one month from the date of the decision. In case of objection made by the person in whose favor the pledge was made to, it shall be his right to sell the shares pledged with him to the company at the highest price [recorded] in the month prior to the date on which the board of directors issued an invitation for an extraordinary general assembly to consider the delisting or at the average closing prices of the shares of this company during three months preceding the date of the above mentioned Decision, whichever is higher.

Article (6)

The first paragraph of Article (2) of the rules of listing securities of the above small and medium enterprises shall be replaced with the following text:

“Small and medium enterprises wishing to list their securities shall enter into contract with one of the sponsors certified by the Authority. The sponsor shall help the company with the process of listing its securities. It shall undertake the responsibility of following up on the compliance of the company with rules and standards of registry and disclosure. The sponsor shall continue [as such] for a period no less than two years from the date of

listing, during which time it shall conduct the research coverage for the company it sponsors.”

Article (7)

Item (5) of Article (3) of the rules of listing securities issued by the small and medium enterprises referred to shall be replaced with the following text:

“5. Capital must be paid in full.”

Article (8)

This Decision shall be published in the Official Gazette, and shall take effect from the day following the date of its publication. The Exchange, competent departments at the Authority, and concerned entities shall implement the provisions thereof, each to the extent of its jurisdiction.

Dr. Ziad Bahaa El-Din

Board Chairman