

EFSA's BOD
Decision no. 81 of 2011 dated 17/10/2011

EFSA's Chairman

After reviewing Capital Market Law promulgated by Law no. 95 of 1992 and its

Executive Regulation and EFSA's decisions issued in accordance to it, Central Depository Law no. 93 of 2000 and its Executive Regulation, Law no. 10 of 2009 for Regulating Non-Banking Financial Markets and Instruments

Presidential Decree no. 191 of 2009 regarding the provisions regulating the Egyptian

Exchange and its financial affairs,

EFSA's statute promulgated by Presidential Decree no. 192 of 2009,

Listing and De-listing Rules of securities as per EFSA BOD Decision no 30 of 2002 dated 18/6/2002 and its amendments,

EFSA's BOD Decision no 62 of 2007 regarding listing the small and mid cap companies,

EFSA's BOD approval issued in its session dated 17/10/2011,

Decided,

Article 1

The mid and small cap companies that are subject to this Decision are the joint stock companies whose issued capital is not more than EGP 50 million or its equivalent in foreign currencies, when applying for listing for the first time. Issued capital shall not exceed EGP 100 million or its equivalent in foreign currencies thereafter.

Article 2

Listing of the small and medium companies on the Egyptian Exchange shall be enacted according to the following rules:

1) The minimum shares offered should not be less than 10% of the total issued shares. Within the context of those rules, the term offering refers to the sale of the company's shares through the stock exchange based on the Disclosure Report stated under Item (2) of Article (4) of the Egyptian Exchange's Listing Rules.

2) Founders and Board members should maintain a minimum of 25% of the applicant company for a minimum period of two years starting from the date of the offering stated above.

3) The number of shareholders should not be less than 25.

4) The number of issued shares to be listed should not be less than 100 thousand shares.

5) The company should submit its audited financial statements for at least one fiscal year, which should be prepared according to the Egyptian Accounting Standards and audited according to the Egyptian Accounting Standards by one of the Auditors listed in EFSA 's Registry and approved by the company's General Assembly.

The Listing Committee has the right to approve the company's listing even if the company have not issued financial statements for one fiscal year, provided that the company submits its business plan for the coming 5 years, stating the expected profits, and endorsed by one of the financial advisors approved by EFSA.

6) The issued capital should be fully paid. The company shall commit to the expansionary plans and the increase of the issued and paid in capital according to the offering plan and Disclosure Report stated under Item (1) of this article or the business plan stated under Item (5) of this article.

7) Shareholders' equity should not be less than 100% of the company's paid in capital in the last annual financial statements preceding the Listing Application.

8) The applicant company must appoint an approved Nominated Advisor listed in the respective Registry. The Nominated Advisor advises and assists the company on all its responsibilities during the application process and ensures the company's compliance to the listing and disclosure rules. The Nominated Advisor's obligations and responsibilities shall be maintained for at least two years from the listing date during which it shall conduct the research coverage for the company it sponsors.

The company should notify the Exchange within one month in case it wishes to terminate its contract with the Nominated Advisor. The company shall inform the Exchange with the new Nominated Advisor within the same period.

The company could be exempted from having a Nominated Advisor if one of its shareholders is a venture capital or a financial or investment institution, owning not less than 10% of the total issued shares. Additionally, this shareholder shall undertake in writing not to sell his stake before two years from the listing date.

The Listing Applicant may, on an exceptional basis, be listed without conforming to Items (1) , (2) and (3) of this article, in case of submitting a written undertaking mentioning that he will conform to such conditions within 6 months from the date of listing its shares on the Exchange.

In case the Listing Applicant's shares are listed before the issuance of the financial statements for a minimum period of 6 months, attached to it the Auditors' Report, the six months shall be counted from the date of publishing those financials. In case this commitment is not fulfilled, listing shall be considered as it never took place.

Under all circumstances, for listing continuation, Items (3), (4) and (6) shall be fulfilled and in case some or all of these conditions were not fulfilled for 3 months, the Listing Committee may grant the company another 3 months from notification date to fulfill such conditions. If the company does not conform, the Listing Committee may consider de-listing the company

Article 3

The Listing Applicant should attach the following documents to the listing application, in addition to what stated in Article 4 of EGX Listing Rules:

1. An undertaking signed by the company and the Nominated Advisor in accordance with the form prepared by the stock exchange in that regard, including the rights and obligations of the company as well as the nominated advisor towards EFSA and the Egyptian Exchange.
2. An undertaking from the company and its nominated advisor to submit all information and data needed for the listing procedures and to fulfill all listing requirements.
3. A Business Plan for the coming 5 years, specifying the expected profits, to be approved and endorsed by the Nominated Advisor or any of the financial advisors approved by EFSA.

Article 4

All listed small and medium companies shall be subject to the Egyptian Exchange's Listing Rules issued by EFSA BOD Decree no 30 of the year 2002 and its amendments, with exception to Article 7 of this Decision.

Article 5

Without prejudice to Article 6 of Law No. 95 for 1992 of the Capital Market, companies shall publish their Disclosure reports and their periodical financial statements as well as all companies' announcements as follows:

- The Disclosure Report stated under Item (1) of Article (2) of this Decision shall be published, on both trading terminals as well as the Egyptian Exchange's website, for five working days preceding the commencement of trading on the company's shares.
- The Egyptian Exchange shall publish the periodical and the annual financial statements of the small and medium companies, together with the footnotes, the Auditors' Report, EFSA remarks (if any) as well as all disclosure reports stated in the Listing Rules on the Egyptian Exchange's website on the day following its submission and it shall remain for at least 3 working days. The dates of the coupons distribution shall be announced on both the Exchange's trading terminals and website.
- The small and medium company shall notify the Egyptian Exchange with any material event, occurred during official holidays, before the beginning of the first trading session. The Exchange shall publish such events on the Egyptian Exchange trading terminals and website before the beginning of the first trading session.

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- The small and medium company shall publish the invitation for subscription in rights issues, within a week maximum from EFSA approval, on the Egyptian Exchange website, including the date of the last trading day of the original share with the rights. The Egyptian Exchange shall also publish it on the trading terminals.
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Article 6

EFSA BOD Decision no 62 of the year 2007 shall be cancelled.

Article 7

This decision shall be published in the Egyptian Gazette and on the websites of both EFSA and the Egyptian Exchange(EGX). It shall be applicable from the day following its publication.

Board Chairman
Dr. Ashraf El-Sharkawy