

Orascom Investment Holding S.A.E.

Established pursuant to the provisions of Law 95/1992
Head Office: Nile City Towers, South Tower, 29 Floor,
2005 A croniche El Nile, Ramlet Beaulac, 11221, Cairo, Egypt
Authorized Capital: EGP 22 Billion
Issued Capital:
EGP: 2,203,190,060.40
(Fully paid)
Number of Issued Shares:
5,245,690,620
Commercial registration number: 394061 Cairo

Summary of Board of Directors Resolutions

No: (2) of 2019

April 3, 2019

On Wednesday, 3rd of April 2019 at 2:00 pm, the Company's Board of Directors meeting was held at the Company's premises, under the chairmanship of Eng. Akil Beshir – Vice-Chairman, upon the invitation of the Chairman, the Board meeting was attended by members of the Board of Directors, namely

- Eng. Akil Hamed Bashir – Non-Executive Deputy Chairman (independent);
- Eng. Tamer Mokhtar Ahmed El Mahdi - Managing Director;
- Mr. Ayman Mohamed El Tayeb Soliman – Non-Executive Expert Board Member;
- Mr. Mohamed Hamdan Mahmoud Ashmawy – Non-Executive board member;
- Mr. Ashraf Abdel Tawab Abdel Razek Salman - Non-Executive Expert Board Member (independent);
- Mr. Oussama Daniel Nassif Faltas - Executive Board Member in person and on behalf of Dr. Sameh Youssef El Torgoman – Non-Executive Expert Board Member.

Mr. Mostafa Mamdouh Abdel Razek was appointed as Secretary of the meeting.

Mr. Khaled Khairy El Laicy, Chief Financial Officer and Mr. Sherif Sadek, Finance Director attended the meeting.

Having reviewed and deliberated on the agenda, the Board of Directors has resolved the following:

First resolution: The Board of Directors unanimously approved the Audit Committee's report on the standalone and consolidated annual financial statements for the fiscal year ending on 31/12/2018, prepared in accordance with the Egyptian Accounting Standards. Moreover, the Board of Directors approved in principle the nomination and appointment of Mr. Samy Abdel Hafeez Ahmed Ibrahim from Hazem Hassan and Partners firm (KPMG), as the Company's auditor for the fiscal year ending on 31/12/2019 and determining their annual professional fees for

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auditing the financial statements with an amount of EGP 198,000 (only one hundred and ninety eight thousand Egyptian pounds) subject to the approval of the General Assembly.

Second resolution: The Board of Directors unanimously approved the Auditor's Report on the standalone and consolidated annual financial statements for the fiscal year ending on 31/12/2018, prepared in accordance with the Egyptian Accounting Standards.

Third resolution: The Board of Directors unanimously ratified the Board of Directors' annual report for the fiscal year ending on 31/12/2018.

Fourth resolution: The Board of Directors unanimously ratified the standalone and consolidated financial statements for the fiscal year ending on 31/12/2018.

Fifth resolution: Discuss the related party transactions subject to the approval and ratification of the General Assembly.

a. Ratification of the previous Board of Directors resolution dated 27th December 2018

The Board of Directors ratified the previous Board of Director's resolution dated 27th December 2018, with the abstention of the related board members from voting (Namely: Eng. Naguib Sawiris, Eng. Tamer El Mahdi, Mr. Ayman Soliman, Dr. Sameh Torgoman, Mr. Oussama Faltas and Eng. Iskandar Shalaby) regarding the approval of the Independent Financial Advisor's Report (BDO Financial Consultants), which has set the fair value of the share capital of Nile Sugar Company SAE at EGP 2.84 per share with a total value of EGP 3,761,344,000 and the Auditor's report thereon. The Board unanimously approved, with the abstention of the related board members from voting, to disclose and publish the summary of the Independent Financial Advisor's Report and the auditor's report thereon on the Egyptian Stock Exchange with respect to the fair value of Nile Sugar SAE share capital in accordance with the provisions of Article 44 of the Listing Rules.

Discuss the acquisition of the entire share capital of Nile Sugar S.A.E.:

Mr. Akil Bashir, Vice-Chairman of the Board, presented the final findings and results of the financial, tax and legal due diligence.

In light of the negotiations between the Vice-Chairman and the shareholders of Nile Sugar S.A.E. regarding the mechanism of acquisition of their shares in Nile Sugar S.A.E., the purchase price, and the terms of payment to the best interest and benefit of the Company. The Vice-Chairman presented the results of the negotiations with the shareholders of Nile Sugar SAE as follows:

- **No. of Shares to be sold:** 1,326,634,313 presenting 100% of the issued share capital of Nile Sugar S.A.E. to be acquired by the Company.
- **IFA Valuation:** EGP 3,761,344,000
- **Purchase Price:** EGP 3,591,340,000 as the total amount of the transaction. In addition to settlement of the current shareholders' loan with an aggregate amount of approximately EGP 70 million.

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Structure and Terms of payment:

The purchase price shall be paid and transfer of shares and the shareholders' loan shall be settled following the completion and fulfillment of the conditions precedent (Closing), as stipulated in the SPA (that is currently being finalized), as follows:

- Payment of 10% of the total purchase price amounting to EGP 359,134,000 in addition to settlement of the shareholders' loan amounting to approx. EGP 70 million will be paid upon completion of the transaction (Closing).
- The remaining 90% of the purchase price amounting to EGP 3,232,206,000 shall be recorded as debt on the Company's Financial Statements.
- The Company shall issue promissory notes with the amount of the remaining 90% of the purchase price amounting to EGP 3,232,206,000 as a guarantee for payment in favor of the sellers.
- The selling shareholder shall assign and transfer their rights of the remaining 90% of the purchase price and endorse the promissory notes to OTMT Acquisitions S.A.R.L. (Orascom's major shareholder). The promissory notes shall be deposited in an escrow account and shall be payable as per the agreed upon instructions.
- The promissory note is payable on demand. However, OTMT Acquisition is committed not to request the cash payment of the remaining purchase price.
- OTMT Acquisition undertakes to subscribe in the capital increase with the debt representing the remaining amount of the purchase price by virtue of the Company's capital increase that shall be called for upon completion of the transaction (Closing). The capital increase shall be allocated solely for the current shareholders of the Company at the par value of the share pro-rata to their capital shareholding in the Company, provided that the subscription of the issued capital increase shall be through the debts due to the subscriber/seller in accordance with its shareholding in compliance with the Listing Rules.
- an interest shall be applied on the remaining Purchase Price, at a rate not exceeding the Central Bank of Egypt's lending rate, to be calculated from the lapse of nine months from Closing in the event the capital increase is not completed within nine months from closing.
- In the event the OIH proposed Capital Increase is declined by the competent regulatory authorities, the Parties agree that the Transaction shall be reversed. Each Party shall take all requisite actions required to implement the Transaction reversal.

Representations and Warranties and Indemnities: In addition to the abovementioned, the purchaser shall have a variety of indemnities and representations and warranties from the sellers with respect to Nile Sugar SAE and its operations. The Sellers will fully indemnify the Purchaser with no limitation for all damages and losses incurred by the buyers as a result of breach of any of the material representations and warranties and/or legal proceedings and/or

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tax claims and/or legal proceedings pertaining to the land of the plant in addition to bearing all losses and expenses related to any decree issued for the full or partial closure of Nile Sugar's plant.

Therefore, the board approved, in principle (with the abstention of the related board members from voting) the acquisition of all of Nile Sugars shares according to the, aforementioned, purchase price, conditions and method of payment according to the results of the financial, tax and legal due diligence and the conditions that shall be stipulated in the SPA. Furthermore, the board approved (with the abstention of the related board members from voting) to call for the Ordinary General Assembly to convene to discuss and approve the acquisition of Nile Sugar S.A.E. and enter into a sale and purchase agreement (a related party transaction).

Moreover, the independent Board members approved to delegate and authorize Eng. Akil Beshir – Vice-Chairman to sign the sale and purchase agreement and all definitive agreements and any amendments thereto for the benefit of the Company, the purchase orders and represent the Company before the Sellers, the Financial Regulatory Authority, Egyptian Stock Exchange and obtain loans and facilities to finance the acquisition subject to the approval of the General Assembly of the shareholders.

b. Discuss leasing an office to Orascom Pyramids Entertainment subject to the approval of the General Assembly

Sixth Resolution: Upon the presentation by the managing director of several investment opportunities in the agro-industries/FMCG sectors, the Board of Directors approved to proceed with studying the investment opportunities in the agro-industries/FMCG sectors provided that a criterion is determined to guarantee the highest rate of investment.

Seventh resolution: The Board of Directors approved to delegate the executive Chairman or the Vice Chairman of the Board to invite the shareholders to the Ordinary General Assembly to convene on Sunday 5th of May 2019 to review and discuss the following agenda:

- 1- Ratification of the Board of Directors' report on the Company's activities during the fiscal year ending on 31/12/2018.
- 2- Ratification of the Auditor's report on the annual standalone and consolidated financial statements for the fiscal year ending on 31/12/2018.
- 3- Ratification of the standalone and consolidated financial statements for the fiscal year ending on 31/12/2018, and the general budget and income statement for the same period.
- 4- The discharge of the Chairman and all members of the Board of Directors for their services during the fiscal year ending on 31/12/2018.
- 5- Determining the remuneration and allowances of the Board Members, the Members of the Audit Committee and the Members of the Investment Committee for the fiscal year ending on 31/12/2018.

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- 6- The appointment of the Company's Auditor for the fiscal year ending on 31/12/2019 and determining its annual fees.
- 7- Ratification of the Board of Directors resolutions during the fiscal year ending on 31/12/2018;
- 8- Authorize the Board of Directors to obtain loans, mortgages and issue guarantees to lenders for the Company and its subsidiaries where the company owns a controlling stake;
- 9- Approve the donations made during the fiscal year ending on 31/12/2018 and authorizing the Board of Directors to donate during the fiscal year ending on 31/12/2019;
- 10- Authorize the Board of Directors to enter into related party transactions.

Eighth resolution: Discuss the Board of Director's proposal regarding the amendment of Article 46 of the Company's Articles of Association in connection with the applying the accumulated voting mechanism in the Board of Directors elections in accordance with the FRA Decree no. 154 for 2018 and delegate the Chairman to call for an Extraordinary General Assembly in this regard and determine the date and venue of same.

The Board of Directors delegated Mr. Mostafa Mamdouh Abdel Razek, Mr. Oussama Daniel Nassif, Mr. Sherif Maher Samy, Mr. Gamal Gamil El Sayed Mahmoud, Mr. Khaled Mahmoud Mohamed Hammad, Mr. Ahmed Fares Abdel Aziz and Mr. Assem Ragab from Zulficar & Partners Law Firm, to jointly or severally, take all the required procedures to ratify the minutes of this meeting at the Egyptian Financial Supervisory Authority, receive it and annotate all the afore-mentioned in the company's commercial register.

The meeting ended at 4:00 pm.



Head of Investor Relation
Marwan Mohamed Hussein



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