

## **Financial Regulations**

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**Chapter one**  
**((General Provisions))**

**Article (1): The objective of the regulations :**

This regulation aims to indicate the basic rules of the financial system to be followed by the company .....

**Article (2): Definitions :**

The following terms used within this regulation shall have the meanings indicated next to them, as the context requires that:

**Company** .....

**Chairman:** Chairman of the Board of Directors

**Deputy:** Vice Chairman of the Board of Directors

**General Manager:** The general manager of the company

**Financial Director:** The financial manager and the financially responsible for all financial business or his representative

**Financial management:** the company's financial affairs department and accounting.

**Article (3): Approval of the Regulations:**

This regulation is approved by the president or his representative, and it is not permissible to amend or change any article or paragraph in it except by virtue of a decision issued by him or his representative to do so.

**Article (4): Implementation of the Regulations:**

The provisions of this regulation apply to all financial transactions of the company and everything that would preserve its rights and properties. It also regulates the rules of exchange, collection, and accreditation authorities.

**Chapter two**  
**((financial and accounting policies))**

**Article (5): The company's fiscal year:**

The company's fiscal year is twelve Gregorian months, beginning on the first day of January and ending on the last day of December of the same year.

**Article (6): Accounting Recording:**

- The company's assets and liabilities are recorded based on historical cost and income and expenses are recorded according to the accrual principle.
- The company's accounts are recorded according to the double-entry method considering the generally accepted accounting rules and norms.
- The company's accounts are opened according to what is mentioned in the chart of accounts.
- The accounting entries are recorded from documents approved by persons with accreditation powers.
- The accounting procedures for the company's operations are carried out using computers at the company's head office.

**Article (7): Fixed Assets:**

- Fixed assets are recorded at their historical cost, including all necessary costs incurred in bringing the asset to a working condition.
- Fixed assets are shown in the financial statements at their historical cost, minus the accumulated depreciation.
- Fixed assets are depreciated by following the straight-line method and according to the percentages prepared by the financial manager, which will be guided in the preparation of the percentages of depreciation of fixed assets issued by the General Tax Authority at the Ministry of Finance or any other public authority that issues such percentages and approved by the Chairman of the Board of Directors or his representative.
- Follow a policy to distinguish between capital and revenue expenditures, given that the former is non-recurring and extends the productive and economic life of the asset, and set a minimum ceiling of (EGP) to consider the capital expenditure.

#### **Article (8): Inventory:**

- The merchandise inventory is evaluated according to the cost or market price, whichever is lower, and the cost price is the determining basis on first-in, first-out.

#### **Article (9): Foreign currencies:**

- Transactions made in foreign currencies are valued in the Egyptian pound according to the exchange rates prevailing on the date of making the financial transactions, and the assets and liabilities recorded in foreign currencies are transferred to the Egyptian pound on the date of preparing the financial position according to the exchange rates prevailing at the end of the financial year, and the conversion differences are recorded in the currency valuation differences account in the income statement.

#### **Article (10): Allowance for severance pay and leaves:**

- The provision for severance pays and vacations for employees, if any, is calculated according to the regulations and laws in force within the company, which should not conflict with the labor and workers regulations contained in the Egyptian Labor Law.

#### **Article (11): Financial Statements:**

- The company's financial statements are prepared in accordance with the generally accepted accounting standards in force in the Arab Republic of Egypt.

#### **Article (12) The financial manager is responsible for:**

- Implementation and control of the provisions of the financial regulation and its executive decisions.
- Take measures to ensure the company's money and property against all risks (theft - fire - accidents .....etc).
- Taking insurance measures against store custodians, cash custodians, collectors, and the like against all risks such as theft, accidents, and breach of trust, considering the adequacy and continuity of insurance, provided that apply the principle of cost and return.
- Taking the annual inventory procedures for the main and subsidiary treasury on time, as well as conducting the inventory Sudden from time to time for the main store and subsidiary stores (if any) and has

the authority to delegate from he shall carry out the inventory on his behalf without prejudice to his responsibility.

- Conducting a quarterly inventory of all the company's fixed assets and matching them to the fixed asset records for the company

### Article (13)

The financial manager shall set the following financial regulations jointly with the managing director and direct their implementation. He has the right to he shall seek the assistance of the expertise of technical bodies or specialized consulting offices, if necessary, based on authorization advance of the Managing Director.

- Planning budget and investment budget for the company.
- The internal control system
- The financial accounting system, including:
  1. The books group that must be kept, provided that it includes at least the books and records that stipulate It has the laws in force to be caught.
  2. Documentary courses
  3. Periodic Financial Reports
- Cost systems that fit the nature of the company's work. In these systems, decisions are issued by the managing director, and they are considered complementary to this regulation.

### Article (14)

The managing director issues bulletins with the first and second signatures containing at least the following:

- Samples of approved signatures.
- Amendments by adding or deleting them with an indication of their effective date.
- Limits of the amounts that may be determined by the validity of these internal signatures.

### Article (15)

- Without prejudice to the internal control systems and the internal audit systems included in it referred to in Article (13) of the Regulations, it is necessary that all financial transactions be reviewed before disbursement, whether the disbursement is by checks or cash or through advances or permanent or temporary covenants.

## Article (16)

Without prejudice to the provisions of the financial regulations, purchasing regulations, and any other regulations which regulate the work of the company, the approval of the Chairman of the Board of Directors or his representative is required as follows:

- Concluding loans with banks or individuals or increasing or decreasing the capital.
- Concluding contracts that entail obligations on the company for more than one fiscal year (supply contracts - mortgage - Rent .... etc.).
- Reconciliation, assignment, or termination of contracts.
- Establishing new branches of the company and any new investments.
- Selling any of the company's fixed assets.
- Adjustments to pay or incentive systems for senior and middle management.
- Adjustments to the company's organizational structure or job description.
- Amendments to financial regulations or authorities.

## **Chapter three**

### **(Accounts, final lists, and periodic reports)**

#### **Article (17): Final accounts:**

- The financial manager shall issue the instructions to be followed to close the accounts no later than fifteen days before the end of the company's financial year.
- The head of accounts undertakes the task of preparing the trial balances for the company in detail and submitting them to the financial manager.
- The financial manager undertakes the task of reviewing the company's annual trial balance and the final financial statements supported by their detailed attachments and discussing them with the company's auditor, within a month from the end of the company's financial year.
- The financial manager prepares the annual financial report explaining the results of all the company's activities and attaches it to the final lists and the auditor's report and presents it to the vice-chairman of the board of directors and then submits it to the chairman of the board of directors within two months from the end of the company's financial year.
- The financial manager sets the rules and percentages for distributing indirect expenses on activities or cost centers and discusses them with the Vice Chairman of the Board of Directors or his authorized representative and then adopts them from the Chairman of the Board of Directors or his representative to work accordingly.

#### **Article (18): Periodic Reports:**

- The financial manager reviews and approves the monthly and quarterly financial reports and ensures the accuracy of the data included in them and presents them to the administrative bodies prepared for them on the dates specified for that.
- The financial manager analyzes the data contained in the financial reports and final accounts using the generally accepted methods of financial analysis and submits a report on the results of this analysis and its implications to the Chairman of the Board of Directors or his representative.

- The financial manager prepares the quarterly financial statements and submits them with all the information and data required by the auditor, who in turn performs the limited examination in accordance with the Egyptian accounting standards.
- In the absence of the financial manager, the head of accounts shall assume the tasks and duties of the financial manager mentioned in this chapter (Chapter Three - Final Accounts and Periodic Reports) through a decision delegating Issued by the President or his representative.

#### **Article (19)**

The company's accounts are organized according to the rules, regulations and provisions of the Egyptian accounting standards, and the company maintains a set of books, records, and publications necessary for the application of the system, without prejudice to keeping the legal books required by the laws in force in the Arab Republic of Egypt, and the financial manager is responsible for that.

#### **Article (20)**

The entry in the books or on the computer is carried out on a regular basis based on the documents approved by the competent authority in the financial management, with the need to preserve the documents supporting the entries in a way that enables reference to them. Whoever appoints him without prejudice to his responsibility.

#### **Article (21)**

At the end of each month and before the fifth day of the following month, the financial department prepares the following :

- Financial statements (financial position - result accounts - cash flow statement)
- Detailed statements of the movement and balances of accounts, analytical books, or assistant ledgers. The financial department prepares every month a report showing the actual resources and uses in comparison with the approved planning budget appropriations and any other reports requested by the higher management.

#### **Article (22)**

The financial department prepares the annual financial statements (financial position, result accounts, cash flow statement) in accordance

with the recognized Egyptian accounting rules, norms, and standards and on the dates specified in Article (17 of these regulations) and in a manner that does not conflict with the laws in force, provided that the following is considered:

- Make all inventory adjustments before preparing the financial statements so that the fiscal year bears all its expenses and revenues in accordance with the generally accepted accounting principles, and so that the final financial statements appear because of the establishment's work at the end of this period.
- The facility's accounts include everything that the laws stipulate that is obligatory and is proven in them.
- Create sufficient provisions to meet all obligations, responsibilities, and potential losses. For example, but not limited: -
  - Provision for doubtful debts at 100% of the value of debts that are 90 days or more past due and not collected until the monthly closing date
  - Checks, bills of exchange, and the like that are received from the bank with refusal, and the facility has not been able to collect them until the monthly closing date.
  - Sales returns that the company has not been able to resell until the monthly closing date, a provision is made for its full value.
  - Dedicated to meet stagnant items in raw materials stores by 50% if it does not move within 120 days until the closing date, and by 100% after 180 days have passed until the closing date.

## **Chapter four**

### **Budget**

#### **Article (23): Definition of the estimated budget:**

The estimated budget is the company's annual financial program to achieve the goals decided by the board of directors. It includes all uses and resources for the company's activities in line with the set strategy.

The discretionary budget seeks to achieve the following :

- It reflects an organized work plan prepared on a scientific basis based on realistic studies .
- Clarifies the specific purposes of the company's future activity .
- It helps the company's management to implement its policies and introduce those policies .
- It is used as a tool to measure the company's overall performance .
- It is used as a tool of internal control and control through continuous comparisons between the estimated numbers and the actual numbers, through which weaknesses can be discovered and work to be strengthened .
- It helps in estimating the company's needs for working capital and the amount of liquid cash needed to pay periodic obligations on a timely basis.

#### **Article (24): Preparing the estimated budget:**

The chairman of the board of directors or his representative issues a decision annually to form a committee to prepare the budget, provided that the general manager is the head of the committee, provided that it is finally approved by the delegated member, as well as issuing instructions to be followed when preparing the estimated budget in accordance with the foundations that achieve the objectives of the company.

#### **Article (25)**

- The budget is prepared on the basis of the administrative division and the qualitative classification of the company's activities. It may include in the budget some appropriations in total without being bound by the aforementioned division, provided that the reason for this is explained.

- The budget is estimated from revenues and expenditures in Egyptian pounds (and on the basis of the official exchange rate prevailing in the Arab Republic of Egypt in relation to other currencies - if any - when submitting the draft budget).

#### **Article (26): Ratification and implementation of the budget:**

1. Each of the company's departments prepares at least three months before the start of the fiscal year (at the beginning of October of each year) a draft of the planning budget for the next fiscal year, including the work program for it, provided that the preparation is completed before the end of October of each year.

#### **Article (27)**

2. The financial department collects data on the planning budget from the different departments, provided that they are reviewed and put into an aggregate form and presented to the planning budget preparation committee before the end of November of each year.

#### **Article (28)**

3. The Budget Preparation Committee coordinates and amends the estimates submitted by the various departments, as well as technical support to those departments if necessary, and then prepares an integrated project for the planning budget, before the end of the first half of November of each year.

#### **Article (29)**

4. The draft of the planning budget is submitted from the Budget Committee to the Managing Director after the end of the budget committee's work, no later than the first of December of the same year for approval after studying and discussing the foundations of preparation and the extent of consistency and achievement of programs and goals.

#### **Article (30)**

5. After approving the planning budget, the financial department informs the various departments of the appropriations assigned to them, and those departments are committed to implementing within their limits or to obtaining the required override from the competent authorities as determined by the accreditation authority.

### Article (31)

6. In the event of a delay in issuing or approving the budget, the financial manager may approve spending in the new fiscal year similar to the spending appropriations in the previous fiscal year.

### Article (32)

7. The planning budget is a means of direct control over the company's activity and business, and the financial department prepares a periodic monthly report on the fifth day of the following month, explaining the actual resources and uses, compared to the planning budget estimates, deviations, their justifications, ways to treat or overcome them, and the extent to which the actual implementation matches. With the programs on which the budget estimates and the forecast project were built for the rest of the year.

### Article (33)

- The authority concerned with the override and the quorum for the authorized abuse of each of the administrative levels mentioned in the organizational structure of the company, in relation to the following cases of abuse :
  1. Exceeding one of the spending items in return for saving one or other items that are under the authority of the financial manager, and the general manager returns with more than 25% of the item's value .
  2. Exceeding the total of the planned expenses for the entire fiscal year in return for an increase in revenues that comes from the dual authority of the financial director and the general manager collectively and after approving the forecast plan for the rest of the year and approved by the managing director.

## Chapter five

### Resources

#### Article (34)

- Revenue resources mean all the revenues obtained by the company from all its current operations and resulting from the exercise of its various activities.

#### Article (35)

- Capital resources mean everything that the company obtains as a result of selling an asset or contracting a loan or additional financing in working capital...or any other non-revenue resources that result in an obligation on the company that the managing director has the authority to approve or conclude agreements related to

#### Article (36)

- The company's management, when preparing the necessary programs to achieve its activity, takes into account that the financing of its current operations depends mainly on the revenue resources resulting from the conduct of its various activities.

#### Article (37)

- One or more accounts are opened with one or more banks, which are determined by the company's management, to which all proceeds (cash - checks or bills of exchange...) or other resources are supplied.
- The Finance Department follows up on this account and makes the necessary settlement notes - and does not issue any checks on this account without a cover.

#### Article (38)

- Cash or incoming receipts by checks or transfers or otherwise must be delivered to the bank on the same day or no later than twelve o'clock in the afternoon of the next business day for collection.
- The financial manager must set the system that ensures the verification of the implementation of this

- In exceptional cases or according to work conditions, it is permissible to delay the supply of proceeds until the end of the day following the proceeds, provided that their total does not exceed the amount insured by the treasurer.

#### **Article (39):**

- The financial department should follow up on the collection of the company's rights at their due dates and prepare reports to be submitted to the Chairman of the Board of Directors or his representative on any rights that were due and could not be collected to take appropriate measures in this regard, provided that the aging of receivables is monitored on a weekly basis.

#### **Article (40):**

- It is not permissible to assign any rights to the company that cannot be collected except after exhausting all the necessary means for its collection. It is permissible by a decision of the chairman of the board of directors or his representative to write off the debts owed to the company after exhausting all possible official means for collection.

#### **Article (41):**

- Funds owed to the company with third parties are collected either in cash, checks, or any other document of monetary value, and the company's rights are received by the treasurer or whoever is charged with the collection and a regular receipt is issued with it, bearing in mind that all checks received are issued in the name of the company only and not in the names of persons.

#### **Article (42):**

- The financial manager must follow up on the company's revenues collected by checks, ensure that they are collected on time, take the necessary measures to preserve the company's rights in case these checks are rejected by the banks, and submit a report to the Chairman of the Board of Directors or his representative on the checks that were rejected, and the measures taken to preserve the company's rights.

### Article (43)

- The company's management should invest in liquid funds that are surplus to its needs, with the highest possible return, while ensuring the provision of sufficient liquidity to pay the company's obligations before third parties on time and ensuring that the current activity does not stop due to its lack of liquidity.

### Article (44)

The company may manage the additional resources it needs in all or some of the following ways:

- Completing the capital (if it was not fully paid up).
- Credit facilities
- Loans
- Capital increase
- Supplier Facilities

Provided that the higher management chooses from among these methods for each case what combines the most appropriate conditions and the achievement of the largest possible return without prejudice to what is stated in the regulation of the controls governing these matters.

## Chapter six

### Payments

#### Article (45)

The company's expenses consist of :

- 1- Domestic and internal procurement costs
- 2- Production costs.
- 3- Selling and marketing costs.
- 4- The costs of acquiring fixed assets.
- 5- Expenses incurred for services provided by third parties.
- 6- General and administrative expenses.
- 7- Various expenses.

It features the following:

#### Spending Contract:

It is the incident that creates an obligation on the company, such as purchasing materials, entitlement to wages or providing services.

#### Paying Spending:

Pay the amounts arising from the spending contract to the beneficiaries.

#### Article (46)

For the validity of the payments, the following conditions are required:

- To be made with the approval of the Chairman of the Board of Directors or his representative, with a memorandum in advance specifying whether the payments are capital or current, except for the payments made legally referred to in Article (47) below.
- That the purchases proccing, or services are implemented in whole or in part for the benefit of the company's activity.
- Availability of a document proving a third party's claim for the value of the service supplier or the original, such as an invoice.
- Availability of an authentic document proving the company's actual receipt of the purchased items or services provided.

#### Article (47)

- The following payments are legally contracted and do not require prior approval from the Chairman of the Board of Directors or his representative- :
- Payments arising from contracts are concluded as soon as they are signed by the Chairman of the Board of Directors, such as employment contracts, rents, social insurance, and the like..... etc.
- As well as payments related to services provided by government agencies with specified prices, such as postage, telephone, electricity, etc. expenses.

#### Article (48)

- The financial manager shall, in conjunction with the company's general manager or delegated member, establish a system that ensures the establishment's fulfillment of its obligations to its beneficiaries on the specified dates in accordance with the existing contracts or commitments.

#### Article (49)

- Expenses are paid under a voucher or payment order in one of the following ways:
  1. Cash for petty expenses provided that it does not exceed the specified cash disbursement ceiling.
  2. A check on one of the banks it deals with.
  3. Transfer to the bank (bank transfer - documentary credit - ..... and the like).

This is done after making sure that the transaction is completed for all the justifications for the exchange and attaching the documents indicating that, as well as the completion of signatures on them by the specialized employees and the approval of the exchange by the authorized person and in accordance with the procedures described in the financial system.

- The documents are stamped when they are spent with a paid stamp to indicate the payment of their value

### Article (50)

- It is not permissible to spend except within the approved planning budget, and the financial manager must ensure that the other party implements the commitment or contracting or when it becomes due.

### Article (51)

- It is not permissible to write checks to the bearer or in the blank. The check must be drawn in the name of a natural person or a legal person, and it is paid only to the first beneficiary only. The signature on the exchange document is taken into account by the authorized person to receive it on the basis of prior authorization. Checks are kept in a safe place under the supervision of the financial manager.

### Article (52)

- It is not permissible to withdraw lost checks except after taking the necessary procedure to ensure that the original check is lost on the one hand and to ensure that it will not be cashed in the future on the other hand.

### Article (53)

- The sequence of administrative levels in the company that has the authority to approve the spending is as follows:
  1. Chairman of Board
  2. Managing member
  3. General Director
  4. Director of the financial department

In all cases, no employee or manager may approve the disbursement of sums of his own except with the approval of the higher authority.

### Article (54)

- Any level may delegate directly to the lower level all or some of its powers by a written decision from it for a limited period, and the lower level may not re-delegate the powers granted to it by the higher level to others.

### Article (55)

- The check issued by the company must bear the signature of the authorized signatory according to the deposited form of his signature in the banks.

### Article (56)

- All banks that the company deals with should be provided with the signature forms of the chairman of the board or his authorized representative or his representative in his absence.

### Article (57)

- The supervisory procedure should be taken when printing receipts and spending vouchers for cash, receipt, and payment vouchers for checks, with the need to keep these documents in a safe place under the supervision of the financial manager, as well as unused checks. It follows that these documents are in particular, and all financial documents are numbered in sequence, and this sequence is taken into account when used with Keep canceled copies.

### Article (58)

- A sudden inventory of the company's funds must be carried out at periodic intervals during the year and the necessary inventory reports should be made. The employee responsible for receiving the cash (the treasurer, the person charged with the receivable, or the person charged with collection) if there is a deficit or increase that may appear as a result of the inventory must record it in a separate account until the treasurer justifies the reason for its existence, otherwise, it will be transferred to the miscellaneous income, provided that this does not exempt him from the investigation, in accordance with the principle of increasing funds such as decreasing them.

### Article (59)

- The company's treasurer is not permissible to keep with an amount exceeding the amount necessary for the company's needs, which is determined by a decision of the chairman of the board or his representative based on the proposal of the financial manager - unless there are salaries under disbursement in the case of cash disbursement - in which case the amounts are not kept the excess for a period exceeding ten days, starting two days before the due date for the payment of salaries and ending three days after that date

### **Article (60)**

- It is prohibited for fund custodians to keep in their funds other than the company's money, and all that is in the treasury is considered the company's funds and otherwise be subject to legal accountability.

### **Article (61): Disbursement order:**

- The chairman of the board or his representative is considered the authorized to spend and the payment order and his signature on the various exchange documents are considered a final signature that allows those responsible for keeping the funds, each according to his competence, to pay money, write checks, approve bank notices, deliver goods or purchase needs.
- The approval of the exchange order for any action that results in a financial expenditure, whether it is in the form of money, merchandise, or restrictions, necessarily requires its proper implementation by using the regular documents used by the company and in accordance with the accounting procedures indicated in the financial system. The financial manager is responsible for the correct implementation of these procedures.
- The (petty bill of exchange) is the regular document that allows cashiers to pay money, and the check payment order is the regular document that allows cash to be withdrawn from the bank.

### **Article (62) Accreditation Authorities**

- A decision regulating the accreditation authorities is issued by the president or his representative, without prejudice to any of its clauses from the plan.

Taking into account the rules and regulatory procedures for these cases .... in accordance with the regulations and laws.

### **Article (63) Cashing by checks**

- Taking into account what is stated in Articles (49, 50, and 51) of the Regulations, the signing of checks issued by the company in favor of third parties related to the current activity of the company shall be as follows:

1. There must be at least one signature on the check from the authority of the vice-chairman of the board of directors or the general manager, or both.
2. Notifying the bank of the names of those who have the right to sign, as well as any amendment as soon as it occurs.

#### **Article (64) Cashing by checks**

- It is permissible to authorize cash disbursement according to a payment order on the company's treasury within the limits of ..... pounds at one time and with the approval of the general manager and the accounts manager jointly.

#### **Article (65)**

- The purchase of the real estate, fixed assets, and all investment expenses shall be in accordance with the approved in the plan and the authorities for approving the exchange mentioned in the regulation.

## Chapter seven

### Permanent Advance and Temporary Advance

#### Article (66)

- It is permissible to disburse permanent custody to meet the expenses required by the nature of the work, and the chairman of the board of directors or whoever he delegates determines the employees to whom the custody to disburse and who is authorized to spend from it.
- It is permissible to spend temporary custody for specific purposes of the company's business with the approval of the Chairman or his representative.

This advance must be settled as soon as the purpose for which it was spent has expired.

The act of the covenant is based on the decisions of the president or his representative, in which the following matters are precisely defined:

1. The name of the beneficiary of the covenant.
2. The amount of the covenant.
3. The purpose of the covenant.
4. The expiry date of the covenant.
5. Retrieved method.

The covenant is recovered from the employee in accordance with the decision issued by the disbursement order, and it is dealt with financially and accounting according to the type of covenant and whether it was spent for expenses or as personal advances.

- The custody is recorded upon its immediate disbursement in the books, and its settlement is also recorded in the books.
- The permanent and temporary covenants are liquidated, and the cash balance is recovered from them and deposited in the company's treasury or bank at the end of the fiscal year.

#### Article (67)

- It is permissible for necessary reasons to disburse a personal advance to the company's employees according to the following conditions:

1. The Chairman of the Board of Directors or his representative determines its value and the period of payment, provided that the value does not exceed the employee's salary for three months, the payment period does not exceed one year, and it is not permissible to combine more than one predecessor for one employee.
2. The total due from the employee from an advance does not exceed the employee's end of service benefits, and he has served more than three years.
3. Exceptions to the previous conditions may be made by a special decision of the Chairman or his authorized representative.

It is possible for the employee to be granted an advance from the month's salary deducted at the end of the same month, provided that this advance is not granted before the fifth day of the same month or after the twentieth day of the same month, provided that the advance does not exceed 50% of the employee's basic salary, and this benefit is only granted Once a month and no more than three times a year.

#### Article (68)

- A person that has an advance with cash may not give an advance for any reason whatsoever except by a decision from the president or whoever he authorizes to do so, provided that official spend vouchers are prepared for that at the employee's expense he is administratively accountable

#### Article (69)

- The financial manager must follow up the payment of the covenant and advances and retrieve them on time, and he must inform the president or his representative in writing of every delay in paying or repaying them. The covenant and advances are recovered from employees in cases of their late payment or deducted in one payment from their dues to the company.

#### Article (70)

- A permanent advance may be disbursed to meet urgent cash payments or small cash expenditures. The financial manager determines the value of the advance according to business needs, as well as the various items to be disbursed from and the maximum limit for each disbursement, as well as reconsidering the value of the advance.

### Article (71)

- Cash payments made from the permanent advance must be supported by documents that have been reviewed and approved by the appropriation officer, with the exception of cases in which it is difficult to obtain a document provided that the general manager approves within the limits of ..... pounds and not exceeding.. ....% of the expenditure item.

### Article (72)

- What is disbursed from the permanent advance is to be replaced by a check or cash at the end of each month or when the disbursement from it reaches 75% of its value and it should be fully settled at the end of the month.

### Article (73)

- A sudden inventory of the permanent advances is done at least once a month by the Financial Department and on December 31 of every year.

### Article (74)

- It is permissible to disburse a temporary advance for special purposes at the request of the various departments and within the limits of the competencies authorized by this regulation to those responsible for these departments, provided that the payment decision determines the period specified for settling the advance, and it is prohibited to disburse the temporary advance for purposes other than those designated for it.

### Article (75)

- Temporary advances must be settled as soon as the purpose for which it was spent has expired and within the specified period for this advance, with the temporary advance must be returned at the end of the month if it was not spent on the purposes designated for it.

### Article (76)

- It is not permissible to replace the temporary advance, and it is not permissible to disburse more than one temporary advance to one

person at the same time, except with the approval of the general manager and the financial manager jointly. Also, it is not permissible to disburse a temporary advance to non-workers of the company.

## **Chapter eight**

### **Treasuries**

#### **Article (77)**

- It must establish a main treasury in the company. This treasury is responsible for receiving cash, checks, and receipts from the company's various supply sources.

#### **Article (78)**

- A treasury is established in the company to keep the assets of the main documents (the articles of incorporation - commercial register - ..... etc.) and the assets of the contracts concluded between the company and third parties, long-term commercial papers ..... etc. In general, the treasury of the company that contains the important documents that are in it is not opened except with two keys, one on the part of the general manager and the other on the side of the financial manager.

#### **Article (79)**

- The main treasury secretary is prohibited from disbursing revenues or proceeds ... except in exceptional circumstances and with a prior written decision of the general manager and the financial manager, jointly or individually, each within the limits of his authority.
- That the disbursement be based on payment orders or spend vouchers approved by the accreditation authority.

#### **Article (80)**

The Treasurer shall prepare the following:

- Statements of the daily movement of the treasury, showing the cash balance and the cash covenant, and it is reviewed daily by the financial department with the receipt, spend, and supply papers. A daily matching is done between the book balance and the actual balance.
- Lists of all checks, bills of spend, and other commercial papers kept in the treasury arranged according to their due dates, to follow up on their collection, supply them to the bank on time, or endorse them to others, on condition that they lead to more credit.

### Article (81)

- The treasurer is prohibited from depositing any amounts or documents of value belonging to third parties in the company's treasury.

### Article (82)

- The treasurer is fully responsible for what is in his custody of money, checks, money orders, or any valuable document and all the contents of the treasury are in his personal custody .. He is also jointly responsible for every sub-custody delivered from his custody to his assistant, and he must implement the instructions for the treasury that are issued In this regard, and in the event of a change of the treasurer - or his death - the custody of the treasury is transferred to his replacement after an actual inventory is carried out with the knowledge of the financial department.

### Article (83)

- The company's treasury is subject to a sudden inventory at any time determined by the financial manager, as well as at the end of the company's financial year. The inventory is comprehensive in all its contents. The financial manager issues a decision to form an inventory committee in the presence of the treasurer. The financial department takes the necessary measures to determine responsibility.

## Chapter nine

### Letters of guarantee

First, the incoming letters of guarantee:

#### Article (84)

- Letters of the guarantee are not accepted for insurances with a value less than (five hundred pounds).

#### Article (85)

- Letters of guarantee received from third parties for the benefit of the company are transferred to the financial department to register them in the records and follow up on their expiry and effective date. The financial manager or his representative is responsible for following up on the validity of the letters of guarantee received until the end of the purpose for which they are presented.

Secondly, letters of guarantee issued:

#### Article (86)

- Letters of guarantee are not issued for the benefit of third parties unless they are for works that fall within the purpose of the company and are included in the company's planning budget.

#### Article (87)

- The financial department keeps a copy of the issued letters of guarantee as well as requests to extend their validity. It is not allowed to extend its validity after the expiry of its purpose except by a decision of the president or his representative, with the obligation to follow up on the return of letters of guarantee whose purpose or validity has expired to the bank. The movement of the issued letters of guarantee is recorded in a register own to follow.

## Chapter ten

### (Insurance)

#### Article (88)

Insurances are divided into two parts:

##### **First, third party insurance:**

- It includes cash and the like, guarantees, and deductions provided by third parties as insurance for contracts or commitments that he is obligated to implement towards the company.

##### **Insurance for others:**

- It includes cash and cash equivalents, guarantees, or deductions provided by the company to third parties as insurance for contracts or commitments that it is obligated to implement toward third parties.

#### Article (89)

- Securities submitted or deposited by third parties shall be settled in accordance with the relevant contractual provisions as they are returned to their owners if the reason for which they were submitted ceases, and after the approval of the Chairman of the Board of Directors or his representative.
- The insurances are registered with third parties on the parties benefiting from them, provided that they are fully or partially recovered in accordance with the provisions of the contracts concluded for this purpose or the demise of the reasons for which they were submitted.

#### Article (90)

- The bonds and insurance documents provided to the company or given by it are kept in a special file, and it is taken into account to return to them and check them periodically in order to ensure their continued validity or expiry, and the financial manager is responsible for the correctness of their accounting entries and for following up on their recovery by their due date.

**Chapter eleven**  
**((The purchasing))**

**Article (91)**

The company's purchases consist of:

- Fixed assets.
- Materials, production, and maintenance requirements.
- Purchases required for official purposes.

**Article (92)**

- The company's purchases mentioned in Article 91 above shall be secured by importing from abroad or from the local market, and that is done in one of the following ways :
- Practice or direct insurance or as required by the need and as recommended by the Director of the Department and approved by the Chairman of the Board of Directors or his representative.

**Article (93)**

- The purchase of the company's needs is made under purchase orders or documentary credits (or the like) after being approved by the authority according to the powers that he or whomever he delegates.

**Article (94)**

- Purchase requisitions are issued in writing even in cases where an understanding is reached with suppliers on the speed of securing needs, as the purchase order is sent to them later.

**Article (95)**

- The chairman may delegate whomever he deems appropriate from among the responsible employees of the company the authority to approve the purchase, provided that full compliance with the powers granted to him in the delegation decision is taken into consideration.

**Article (96)**

- The approval of the purchase necessarily entails its proper implementation through the regular documents used by the company and in accordance with the procedures stipulated in the procedure's

manual. The financial manager is responsible for the correct implementation of these procedures.

## **Chapter Twelve**

### **((stores))**

#### **Article (97)**

- Goods are received, stored, exchanged, and monitored in accordance with the procedures stipulated in the procedure's manual.

#### **Article (98)**

- All items received by the company shall be handed over to the employee in charge of the stores and shall be in his custody, after taking all the procedures for examination and receipt.

#### **Article (99)**

- Oversight of the store is carried out through periodic and sudden inventory and inspection, in addition to oversight by regular entry in the records, and the financial department represented by the financial manager is responsible for this.

#### **Article (100)**

- In addition to the periodic and sudden inventory, an inventory of all the warehouse's assets is carried out at least once a year, and this is done before the end of the fiscal year by a committee whose members are determined by the president or his representative.

#### **Article (101)**

- In the event that there is a shortage in the stock due to reasons beyond the control of the responsible employee, according to the discretion of the financial manager and the approval of the general manager of the company, a decision is taken to settle the deficit at the expense of the company. Otherwise, the employee responsible for the store is responsible for the deficit.

#### **Article (102)**

- The company's management should set the appropriate policy for Inventory insurance, and the financial manager is responsible for ensuring the implementation of this policy.

## **Chapter Thirteen**

### **(Internal audit)**

#### **Article (103)**

- The internal auditor verifies the correct application of the policies and procedures of work and control approved by the senior management to ensure their effectiveness and inform the senior management of the results of the internal audit work on a regular basis.

#### **Article (104)**

- The internal auditor sets the internal audit program for all the company's activities and assets and sets a timetable for this to be briefed, discussed, and approved by the Chairman of the Board of Directors or his representative.

#### **Article (105)**

**The internal auditor makes sure of the following:**

- The validity of the application of the financial and accounting system and the proof of entries in the books and accounting records so that they can be relied upon.
- The safety of applying and implementing the approved policies, systems, procedures, and methods in all administrative and financial fields
- Examination and follow-up of the balances and movement of accounts receivable and express an opinion on the effectiveness of collection.
- Validity of purchase orders, contracts, agreements, and all kinds of documents that create an obligation on the company towards third parties.
- The safety of the procedures applied to preserve the company's property by carrying out a sudden inventory on the stores, fixed assets, and the company's safes.
- Existence of comprehensive coverage of all the company's assets and properties through valid insurance policies.
- The validity of personnel affairs procedures and their non-contradiction with the Egyptian labor and workers system.

- Ensure that the company's money and dues are collected with third parties and are proven in the books, records, and accounting.

**Article (106)**

- The internal auditor should carry out any work or tasks assigned to him by the senior management related to the nature of his work and submit the necessary reports to the senior management on the results of these works.

**Chapter fourteen**  
**(Accounts Controller)**

**Article (107)**

- Without prejudice to the internal accounting and financial audit procedures, a certified accountant licensed to work in the Arab Republic of Egypt shall be appointed according to the applicable laws to examine the company's quarterly accounts, a limited examination, and to review the final accounts at the end of the fiscal year and give an opinion on them.

**Article (108)**

- The auditor shall review the company's accounts in accordance with the standards in force in the Arab Republic of Egypt, continuously reviewing to submit the necessary reports on the progress of work, at least every three months, except in cases that require immediate reports.

**Article (109)**

- The auditor or whoever the delegates may at all times during the official working hours review all books, records, and documents and request data and clarifications that he deems necessary to obtain to perform his task, and the company's various departments should facilitate the task of the auditor in this.

**Article (110)**

- In the event of refusal to enable the auditor or his representative to perform his task, this shall be evidenced in a report submitted to the Board of Directors to take the necessary action in this regard.

**Article (111)**

- Upon discovering any serious violation, embezzlement or behavior that endangers the company's funds, the auditor shall immediately submit a report to the Chairman of the Board of Directors or his representative to take the necessary measures to address the matter quickly.

**Article (112)**

- The auditor must verify the company's assets and obligations, review the financial statements, and submit his report on the financial statements within a period not exceeding two months from the end of the company's financial year.

**Chapter fifteen**  
**(Final Provisions)**

**Article (113)**

- The Chairman of the Board or his representative (after the ratification of this regulation) issues the necessary instructions for their implementation.

**Article (114)**

- The Chairman of the Board of Directors may delegate some of his powers stipulated in this regulation to whomever he deems appropriate.

**Article (115)**

- This regulation shall be implemented after approval by the Chairman of the Board or his deputy and circulated to the competent authorities of the company.

**Article (116)**

- Any amendment made to this regulation must be approved by the Chairman of the Board or his deputy. It is made according to an appendix, and the appendix, after its approval, is considered an integral part of these regulations.