



Xafi/Alaaliinta Guud DDS G/wadeenka
G/socodka Shaqo Ee D/Dukumaniyada
Ururada Qareenada
የኮ/ክ/መ ጠቅላይ ዕቃዉ ህግ ቢሮ የኮ/ደ/ት
የህ/ሰ/ትና ጠቅቶ ምዝገባ የኖ ጠ/ሪ ሂረት

KALUB MICROFINANCE INSTITUTION S.C

ARTICLES OF ASSOCIATION



February, 2020



CHAPTER ONE

ARTICLE 1

GENERAL UNDERTAKING

This article of Association is prepared in accordance with the Commercial Code of Ethiopia, Micro-Financing Business Proclamation No. 626/2009 and the directives issued by the National Bank of Ethiopia.

ARTICLE 2

ESTABLISHMENT OF THE MICROFINANCE

- 1) We, the Shareholders of "KALUB MICROFINANCE S.C" hereby freely expresses our determination to be bound by the terms and conditions contained here under have accordingly adopted unanimously these Articles of Association to be the Share Company's legally binding document with which its management shall be guided.
- 2) Members whose signatures are found at the end of this document, have agreed to establish a Microfinance Share Company governed and strictly observe the terms and provisions by the 1960 Commercial Code of Ethiopia, Micro-Financing Business Proclamation No. 626/2009, Directives issued by the National Bank of Ethiopia, the Articles of herewith.



ARTICLE 3

NAME AND HEAD OFFICE OF THE MICROFINANCE

1. The name of the share Microfinance shall be "KALUB MICROFINANCES.C".
1. Without prejudice to the rights of Members to open branch offices within Ethiopia, the Microfinance's head offices shall be the Somali Regional State, FaFen Zone, Woreda



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Jigjiga, Jigjiga City, Kebele 06, House Number, New, Tel.No. +251915773879 Fax/Tel. +251252789263 P.O. Box 333.

2. Branch offices may be opened in other locations within Ethiopia as may be necessary

ARTICLE 4

PURPOSE OF THE MICROFINANCE

The Share Company shall have the business purpose listed below:-

1. To collect deposits and extend credits
 2. To engage the local money transfer
 3. supporting income generating projects of urban and rural micro and small scale operators;
 4. To do credit for small and micro business communities
 5. To do fund management and business development services for small and micro scale businesses
 6. Providing financial leasing services to peasant farmers and pastoralists, micro and small urban and rural entrepreneurs, and other microfinance business
- Pro. No. 626/2009 and Directives of the National Bank of Ethiopia pursuant to

CHAPTER TWO

ARTICLE 5

REGISTRATION OF SHARES

All shareholders enter into an institution share book register. The register contains the name, address, the number of shares subscribed and paid-up capital.



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ADDRESS OF SHAREHOLDERS

Name	Nationality	City	Sub City	Woreda	House No	Tel
Daher Mohamed Muhumed	Ethiopian	Jigjiga	Jigjiga	Jigjiga	00172	0915773879
Ahmednur Ali Hussein	Ethiopian	Addis Ababa	Bole	01	New	0911998524
AwalMahamed Ahmed	Ethiopian	Wollo	S/Wollo	Kalu	349	091244234
Abdireshid Bashir	Ethiopian	Gode	Gode	Gode	New	0910710088
Mustafe Hassan Abdi	Ethiopian	Jigjiga	Jigjiga	Jigjiga	2310	0911542256
Amin Haji Mohamed	Ethiopian	Jigjiga	Jigjiga	Jigjiga	8120	0980317377
AbdulahiMahamud	Ethiopian	Jigjiga	Jigjiga	Jigjiga	New	0915228934
Bashir Abdinadir	Ethiopian	Jigjiga	Jigjiga	Jigjiga	0012	0915749750
Zernab Haji Mahamed	Ethiopian	Jigjiga	Jigjiga	Jigjiga	New	0912022132

DETAILS OF SHAREHOLDING OF SHAREHOLDERS

Full Name	Nationality	No. of Subscribed Shares		Paid Up capital	
		No. of Shares Subscribed	Par Value	Total Value of shares Subscribed	Paid Up Capital
Dr. Daher Mohamed Muhumed	Ethiopian	50	50,000	2,500,000	2,500,000
Ahmednur Ali Hussein	Ethiopian	30	50,000	1,500,000	1,500,000
AwalMahamed Ahmed	Ethiopian	20	50,000	1,000,000	1,000,000
Abdireshid Bashir	Ethiopian	20	50,000	1,000,000	1,000,000
Mustafe Hassan Abdi	Ethiopian	20	50,000	1,000,000	1,000,000
Amin Haji Mohamed	Ethiopian	10	50,000	500,000	500,000
AbdulahiMahamud	Ethiopian	10	50,000	500,000	500,000
Bashir Abdinadir	Ethiopian	20	50,000	1,000,000	1,000,000
Zernab Haji Mahamed	Ethiopian	20	50,000	1,000,000	1,000,000
TOTAL		200	50,000	10,000,000	10,000,000

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ARTICLE 6

RESTRICTIONS OF DIVIDENDS IN CASE OF IMPAIRMENTS

The Microfinance shall not at any time declare profit, or pay dividend or make any other transfer from profits other than a transfer required by a determination of the National Bank of Ethiopia that the capital and reserves of the Microfinance are inadequate and such a measure is necessary to rectify the inadequacy until all impairment of its paid up capital has been removed and until it has completely recovered all its capitalized expenditure.

ARTICLE 7

LIMITATIONS OF SPECIFIED OPERATIONS AND ACTIVITIES

- 1) The conditions and limitations on loans, advances or other liabilities which the Share Company may directly or indirectly grant or incur on behalf of:
 - a) Its directors, or severally or with another person
 - b) Business organizations in which itself or one or more of its directors participate as owners, shareholders, directors, partners, managers, agents or members
 - c) Persons to whom the Share Company or one or more of its directors are guarantors, shall be determined as per the directives of the National Bank of Ethiopia

- 2) Any contract made between the Share Company and any of its directors shall be void unless it is approved by the board of directors and provided to external auditor.

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ARTICLE 8

PROHIBITIONS

The Share Company shall not, without the written permission or approval of the National Bank

1. Enter in to any arrangement or agreement for the sale or disposal by amalgamations or otherwise of its business or effect restricting itself.
2. Transfer or otherwise dispose of the whole or any part of its property whether in or out of Ethiopia other than in the ordinary course of its business
3. Effect a reduction of its capital
4. Amend its Memorandum of association under which it is organized
5. Alter the name under which it is licensed to operate Microfinance Business
6. Invest or engage in other business related with financial institutions or non financial institutions

ARTICLE 9

SHAREHOLDERS REGISTER

1. The CEO of the institution shall keep the register of the shareholders in the Head Office. The register shall contain all the details required according to the commercial code, the Memorandum and Article of Association.
2. If any error is discovered in the register, the error should be corrected by the CEO within 30days of the discovery.



ARTICLE 10

SHARE CAPITAL AND SHARES

1. The subscribed Capital of the company is Birr 10,000,000.00 (Ten Million Birr).

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2. The subscribed Capital is fully paid up on issue
3. The Share Company share capital should be registered with at the National Bank
4. The Share Company's shares shall be registered in the name of the shareholder and recorded in the Share Company's register of shareholders.
5. No shares shall carry any special rights.
6. The Share Company shall have shares of one class which shall be registered as ordinary shares of same par value.
7. The Share Company shall not issue bearer shares
8. A share certificate shall be issued to a shareholders upon his payment
9. Rights, duties and liabilities of shareholders emanating from the shares they hold shall be subject to the provisions of Articles 11, 12 and 13 of these articles of association
10. Without prejudice to the provision of Article 333 of the Commercial Code of Ethiopia, any transfer or assignment of shares shall be affected in compliance with the provisions of the proclamation, Memorandum and Articles of Association.
11. Two or more persons may acquire shares jointly. In such event, they will appoint a representative to exercise the Shareholders' rights. If no representative appointed only one of them shall participate in General Assembly Meetings of the Share Company and any one of them may give a valid receipt for any dividend or other money payable on or in respect of the shares.

ARTICLE 11
RIGHTS ATTACHED TO SHARES

- 1) Subject to the provisions of the relevant laws, shares shall confer upon each shareholder the right to:
- a) Be present and participate in General Assembly Meetings of Shareholders
 - b) Participate in the sharing of dividends as are approved by the Ordinary General Assembly Meeting of Shareholders in accordance with National Bank directives.
 - c) Participate in the net proceeds of the Share Company's property on its winding up, which shall be calculated as a proportion of the amount of capital contribution made by each shareholder
 - d) Vote, it being understood that each share will entitle the shareholder to one vote
 - e) Inspect the minutes and attendance sheet of General Assembly Meetings, and to take copies of the balance sheet and profit and loss account, the reports of the Board of Directors and the Auditors.
- 2) The shares shall also confer upon each shareholder a preferred right to allotment of new cash shares issued for an increase of capital in proportion to the number of shares held by each shareholder

ARTICLE 12
RIGHTS AND LIABILITIES OF SHAREHOLDERS

1. The rights and liabilities of the Share Company's shareholders shall be governed by these Article of Association, the Memorandum of Association and the appropriate provisions of relevant laws.

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2. The liabilities of shareholders of the Share Company shall be limited to the extent of the value of the share they hold.
3. The Share Company's shareholders shall be liable for calls on shares. If the calls are not met, the Share Company may sell the shares in the manner provided in this Article of Association under Article 13.
4. A usufructuary shall be liable for calls on shares but may claim from the shareholders for repayment when the usufruct expires

ARTICLE 13

LIABILITY TO MEET CALLS

1. Holders, previous assignors and subscribers shall be jointly and severally liable for calls on shares
2. Any shareholder who have assigned his share shall cease to be liable for the unpaid portion after two years from the date of assignment
3. Where shareholders who have not paid on time the subscribed capital of the Share Company shall pay 9% interest on the unpaid amount
4. Sub Article 4 to 7 of Article 342 of the Commercial Code shall apply where a shareholder fails to pay the call at the due date after being served a notice pursuant to article 21(2) of the Memorandum of Association.

ARTICLE 14

REGISTER OF SHAREHOLDERS

1. The Share Company shall maintain at its Head Office a Register Book, in such form as the National Bank of Ethiopia may approve, which shall show a list of shareholders with voting rights.







- The register shall contain the names and addresses of shareholders, the number and numeration of shares, the amount of capital contribution, the amount of subscribed and paid up capital and the date of entry of the shareholders in the register
- The register shall be open to the public, without charge, at Share Company's Head Office or principal place of business during its normal working hours.

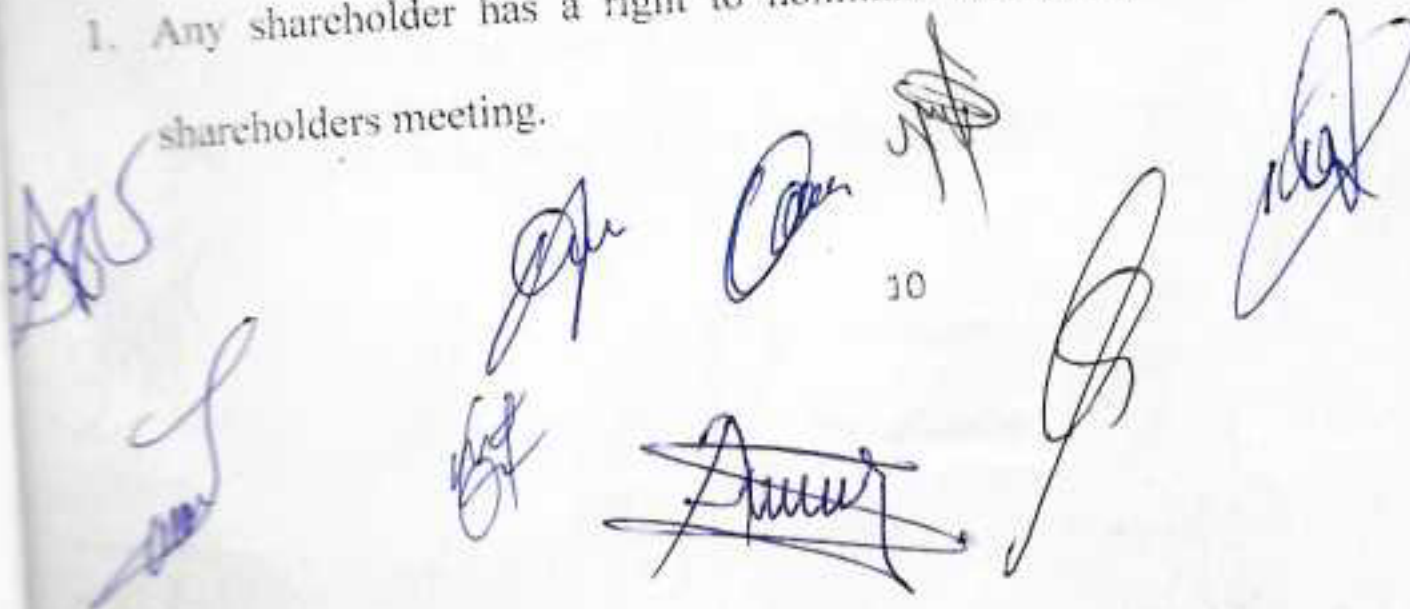
ARTICLE 15
TRANSFER OF SHARES

- Shares shall be transferred from one person to another person, without any restrictions
- Notwithstanding sub article 1 of this article 15, any transfer of shares that makes any person influential shareholder shall be approved by the National Bank of Ethiopia before such transfer is recorded in the share register.
- Any transfer of shares that is not recorded in the share register of shall be null and void
- Every transfer or assignment of shares must be in writing and in such form as the Board of Directors may from time to time approve.
- In case of death of a joint shareholder, the survivor(s) and the heirs(s) of the deceased shall be the only person (s) having rights in the shares
- For the purpose of information, the Board Directors causes transfer of shares, amount of shares transferred, name, address, and the nationality of transferees, to be approved at the annual ordinary general meeting of shareholders

ARTICLE 16
POWER OF PROXY

- Any shareholder has a right to nominate one proxy who may represent him at the shareholders meeting.

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2. Unless the shareholder has expressly specified the power of his proxy, the right and obligation of the proxy representing him at a shareholder meeting shall in no way be different from those of the shareholders personally attending the meeting.
3. The appointment will be confirmed with written instrument of representation and will be signed and dated by the shareholder.
4. An instrument of representation referred to above shall be valid for three months only.

CHAPTER THREE
GENERAL MEETING OF SHAREHOLDERS

ARTICLE 17
GENERAL RULES

- 1) The General Assembly Meeting of the Shareholders shall be the supreme authority of the Share Company having the powers to manage its activities, without, in any way, limiting the generality of the foregoing and subject to the relevant provisions of Microfinance Business Proclamation of 626/2009 and the Commercial Code, the General Assembly Meeting of the Shareholders may:
 - a) Make modifications to the Memorandum and Articles of Association
 - b) Amend the objective of the Share Company
 - c) Reduce or increase its capital
 - d) Decide on the winding up and dissolution of the Share Company
 - e) Amalgamate the Share Company with any other companies
 - f) Appoint and dismiss the directors and fix their numeration
 - g) Decide on the issue of debentures
 - h) Approve the balance sheet and the reports of Board of Directors and the Auditors



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- i) Appoint the Auditors of the Share Company and fix the term of their appointment and remuneration
 - ii) Discharge the directors of any responsibility in respect of their functions pursuant to the annual report of Auditors
- 2) Decisions of the General Assembly Meeting of Shareholders shall bind all shareholders whether absent, dissenting, incapable or having no right to vote.
 - 3) No shareholder may be deprived of the rights inherent in his membership without his consent.

ARTICLE 18

TYPES OF GENERAL ASSEMBLY MEETINGS

1. General Assembly meetings of shareholders are Ordinary and Extraordinary
2. An Ordinary General Assembly meeting shall be held once in every calendar year within six (6) months following the closing of the financial year on call by the Board of Directors or in case of necessity, by the Auditors
3. General Shareholders Assembly Meeting may be convened before the end of the financial year whenever the Board Directors shall consider it expedient to do so or by the Auditors or on demand of Shareholders representing at least 20% (Twenty percent) of the share capital
4. General Meeting may also be called, where appropriate, by liquidator or on the order of the court
5. The National Bank of Ethiopia may call a General Assembly Meeting of Shareholders of the Share Company to discuss and resolve any issue related to the Microfinance where it finds to be in the interest of Depository or Policy Holders or to the stability and soundness of the financial sector.



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ARTICLE 19

NOTICE FOR GENERAL ASSEMBLY MEETINGS

1. Notice for convening Ordinary or Extraordinary General Assembly Meetings shall be published in a newspaper of general circulation, 15 (fifteen) full days in advance of the day appointed for the meetings
2. The notice of the meeting shall contain the agenda of the meeting
3. Where meetings are notified to the shareholders by registered letter the provision of Sub Article (1) of this Article shall not apply

ARTICLE 20

NOTICE FOR ORDINARY GENERAL ASSEMBLY MEETING DUE TO LACK OF QUORUM

1. When an Ordinary General Assembly Meeting has been unable to function due to lack of quorum, a second Meeting shall be called in the same manner and with the same notice period as the first meeting.
2. The second Meeting may be held without regard to the availability of quorum and decisions shall be taken by a simple majority of those present abstentions being discarded

ARTICLE 21

NOTICE FOR EXTRAORDINARY GENERAL ASSEMBLY MEETING DUE TO LACK OF QUORUM

When, for lack of quorum, and Extraordinary General Assembly Meeting has been unable to take place, a second and third meeting, if necessary, shall be called by notice issued at one Week's interval or by a registered letter sent to the shareholders. Majority and quorum of these meetings shall be as those 425 and 428 of the Company's Memorandum and Article 26 of this Article of Association.

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ARTICLE 22

VOTE AND PERIOD FOR DEPOSIT OF PROXY

1. Proxy shall be deposited with the Head Office of the Share Company before 3 (Three) months full days before the date of Meeting
2. The forms of proxy, the place where and the time within which they shall be deposited must be mentioned in the call notice
3. The voting right of the proxy shall be as determined by the directive to be issued by the National Bank of Ethiopia

ARTICLE 23

ATTENDANCE SHEET

1. An attendance sheet shall be kept for each meeting. It shall show the names and address of shareholders present or represented by proxy and the number of shares held by such shareholders
2. The attendance sheet shall be initiated by the shareholders or their proxies and shall be certified as correct by the bureau of the meeting

ARTICLE 24

CONFLICT OF INTEREST

- 1) Where the interests of a member acting on his own behalf or on behalf of third party conflict with the interest of the Microfinance such member may not exercise his right to vote on the issue relating to such interest.
- 2) Directors shall not vote on resolutions relating to their rights and liabilities
- 3) Shares which are deprived of voting rights under this article shall be taken in to account in calculating the quorum

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- 4) Without prejudice to the provisions of the preceding Sub Articles 1-3 of this Article, any provisions restricting the free exercise of voting rights in shareholders meetings shall be of no effect

ARTICLE 25

MINUTES

- 1) Minutes of the General Assembly Meetings shall be entered in a Minutes' Book and signed by the majority of the members of the bureau and certified as correct by the Chairperson or by two Directors of the Board
- 2) The Minute of a meeting shall include:
 - a) The manner in which the meeting was called
 - b) The place and the date of meeting
 - c) The agenda
 - d) The members of the participants
 - e) The number of shares represented and the quorum
 - f) The document laid before meeting
 - g) A summary of the decisions
 - h) The results of votes taken
 - i) The text of resolution adopted
- 3) Where there is no quorum, the chairperson shall cause this fact to be recorded in the Minutes
- 4) Copies or extracts of the Minutes shall be certified by the chairman of the board of directors or by two directors



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ARTICLE 26

COMPANY BUSINESS CONDUCTED AT ORDINARY GENERAL ASSEMBLY MEETINGS

1. The Share Company's Balance Sheet, the Profit and Loss Accounts and the Director's and Auditor's Report shall be read out at an Ordinary General Assembly Meeting. The said Ordinary General Assembly Meeting shall approve or reject the accounts for the past financial year. It shall, without prejudice to the provisions of Article 2 of these Articles of Association, decide, where necessary, on the allocation and distribution of dividends and on all questions arising from the account of the past financial year.
2. An Ordinary General Assembly Meeting may appoint or remove the directors and auditors, decide the amount of their remuneration, amend where necessary, the accounts after considering the auditor's report required under Article 375 of the Commercial Code approve the issue of debentures as well as the guarantees attached thereto and decide all matters other than those reserved to the Extraordinary General Assembly Meetings.

ARTICLE 27

QUORUM AND VOTING REQUIREMENTS IN ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLY MEETINGS

1. An Ordinary or Extraordinary General Assembly Meetings shall not be deemed lawfully constituted for taking decisions where there is no quorum and no majority
2. In Ordinary and Extraordinary General Assembly Meetings the quorum shall be calculated on all shares making up the capital less abstention, blank ballots and those shares which carry no voting rights under the law or the Memorandum and the Articles of Association

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20. A shareholder may appoint 1 (one) proxy only by a written instrument to represent him in any Ordinary or Extraordinary General Assembly Meeting.

ARTICLE 28

VOTING AND RESOLUTION IN ORDINARY GENERAL ASSEMBLY MEETINGS

- 1) When first called, the General Assembly Meeting may not adopt resolutions unless at least 25% (Twenty Five Percent) of shareholders having vote rights are present or represented by proxy. In case of lack of quorum a second meeting shall be called
- 2) When called for second time, the meeting may be held and resolutions adopted without regard to the number of voting shares represented.
- 3) In Ordinary General Assembly Meetings resolution shall be adopted by simple majority abstentions and blank ballots (if any) being discarded.

ARTICLE 29

VOTING AND RESOLUTION IN EXTRAORDINARY GENERAL ASSEMBLY MEETINGS

- 1) Resolutions to change to nationality of the Share Company or to be requiring Shareholders to increase their investment in the Share Company shall be only adopted where the holders of all shares having voting rights are present or represented by proxy and vote is unanimous.
- 2) Voting and resolution in Extraordinary General Assembly Meetings in cases other than those made under Sub Article 1 of this Article above may only be adopted by no less than 2/3 (two-third) majority where:
 - a) At the first meeting not less than 1/2 (one half) of the holders of the capital having

voting rights are present or proxy



Subject to the directives of the National Bank of Ethiopia, if the shareholders of the Microfinance wish to maintain continuity in the board, they may re-elect a maximum of one third of the outgoing board members.

Subject to the powers of the General Assembly Meeting to remove the directors pursuant to the law and subject to the provisions of the Sub Article 2 of this Article, propose to the General Assembly Meeting that all directors resign and new election to be conducted before the lapse of the three year period for which the directors were appointed.

ARTICLE 31

DEPOSIT OF QUALIFICATION SHARES

The directors shall deposit 1% (One) percent qualification shares with the Share Company as security for the proper and correct fulfillment of their duties and functions. Such deposit shall not be released until the director has ceased to be a member of the Board and has fully discharged his liabilities to the Microfinance.

ARTICLE 32

REGISTER OF DIRECTORS

The Share Company shall keep its Head Office a Register of its directors with particulars as their civil status, educational level, profession, tenure and any directorship held in other entity.

All particulars entered in the register and all amendments thereto shall be sent to the National Bank of Ethiopia within 15 (fifteen) days from the making of entry or amendment.

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ARTICLE 33

POWER AND DUTIES OF BOARD OF DIRECTORS

Board of Directors shall have powers and duties as are given to it by pertinent laws, the Memorandum and these Articles and resolution passed at General Assembly Meeting of shareholders.

ARTICLE 34

LIABILITY OF DIRECTORS

1. Directors shall be responsible for exercising the duties imposed on them by law, the Memorandum of Association or this Articles of Association and resolution of meetings, with the care due from an agent
2. Directors shall be jointly and severally liable to the Share Company for damage caused by failure to carry out their duties.
3. Directors who are jointly and severally liable shall have a general duty to act with care in relation to the General Management.
4. Directors shall be jointly and severally liable when they fail to take all steps within their power to prevent or to mitigate acts prejudicial to the Microfinance which is within their knowledge.

ARTICLE 35

CHAIRPERSON OF THE BOARD OF DIRECTORS

1. The chairperson of the Board of Directors shall be elected by the majority of the full board from amongst its members
2. The chairperson shall have power to call the meeting of the Board of Directors which shall meet at the Head Office of the Microfinance or at any other place as the Chairperson may designate.

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the chairperson of the board of directors or in his absence a senior director shall preside at all meetings. In the absence of both such persons, the director appointed by the meeting shall preside.

The Board of Directors may issue rules of procedures for the conduct of its meeting pursuant to the Share Company's Memorandum and Articles of Association and the Commercial Code

ARTICLE 36

DECISIONS OF THE BOARD OF DIRECTORS

- 1) No decision may be taken by the board of directors unless 51% (fifty One percent) of the total number of directors are present or represented. Decisions shall be taken by an absolute majority
- 2) An absent director shall be represented at board meeting only by another director who acts as proxy for the absent director only.
- 3) Decisions of the board shall be drawn up as minutes and shall be signed by the directors who attended the meeting. The minutes shall be kept in a minute book
- 4) Copies of decisions shall be verified and signed by the Chairperson and the secretary

ARTICLE 37

REPLACEMENT OF DIRECTORS

- 1) Notwithstanding the provisions of Article 30 (1) of these Articles where during a financial year one or more directors have left the board, the remaining directors may appoint other persons to complete the period for which the directors who have left the board were appointed.
- 2) Their appointment shall be submitted to the next general meeting for confirmation and the General Assembly Meeting may confirm their appointments or appoint other



directors in their place. The acts done by the persons appointed under Sub-Article of this Article shall be valid notwithstanding that the appointment of such persons is not confirmed by the General Assembly Meeting.

- 3) Where the number of directors is less than half at any time, so that the duties of the Board of Directors are seriously affected A General Assembly Meeting shall be convened to appoint new directors in the place of those have vacated their office.
- 4) The Office of a director shall be vacated if such director:
 - a) Becomes bankrupt or insolvent, or compounds with his creditors, if the director is a corporate body
 - b) Becomes of unsound mind
 - c) For nay other person included in the rules of procedure of the Board of Directors
 - d) Fails to fulfill requirements of Microfinance Business Proclamation 626/2009 and the National Bank of Ethiopia directives

ARTICLE 38

POWERS AND DUTIES OF CHIEF EXECUTIVE OFFICE

- 1) The CEO shall be the head of the management of the Share Company and shall be responsible for its general administration.
- 2) Without prejudice to the provisions of the preceding Sub-Article 1 the powers and duties to:
 - a) Act in the name of the Share Company and for the attainment of objectives designed in the MOU.
 - b) Represent the Share Company in its international and domestic operations , before all public and private bodies, banks and other financial institutions



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- e) Draft and present to the Board of Directors rules and directives for the Share Company for its approval
- f) Direct and supervise the keeping of accounts of the Share Company Convene management meetings regularly and conduct the day to day operations of the Share Company
- g) Set up the reserve account and other reserves required by law and these Articles of Association and other reserves as may be approved by the General Assembly Meeting of the Shareholders
- h) Delegate his powers vested on him by the MOU and Articles of Association or the Board of Directors to any officer or staff member of the Share Company
- i) Appoint agents, legal counsel or any other professional in the interest of the Share Company or dismiss the same
- j) With prior knowledge of the Board, open and maintain in the name of the Share Company, current accounts with any banks
- k) Accept, draw, make, execute, endorse, discount all draft checks, bills of exchange, promissory notes and other negotiable instruments and sign all import and export declarations
- l) With the knowledge of the Board insure the Share Company with losses, damage, accident, risks and liabilities of any kind
- m) Invest surplus funds with prior decision of the board of directors and within the scope of the Share Company objectives

3) The CEO shall in addition be responsible for;



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- a) Drawing up a balance sheet and profit and loss accounts of the Share Company at the end of each fiscal year
- b) Presentation of the reports dealing with the Share Company's operations for the preceding year
- c) Presentation of the Board of Directors any proposed amendments to the MOU and Articles of Association
- d) Authorization of payments of all legal costs, charges and expenses required for the promotion, formation and registration of the Share Company
- e) Preparation of the draft agenda for Board Meeting in consultation with the Secretary of the Board
- f) Preparation and coordination of Board Meetings in consultation with the Chairperson of the Board and in Co-operation with the Secretary of the Board
- g) Performance of any act not specifically stated herein but necessary for the attainment of the objective of the Share Company

CHAPTER FIVE

MAINTENANCE OF ACCOUNTS AND RELATED ACTIVITIES

ARTICLE 39

GENERAL PROVISIONS

The provisions of Microfinance Business Proclamation of 626/2009 and the Commercial Bank Proclamation of 1995 concerning to accounts and books keeping shall apply to the accounts of the Share Company.



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ARTICLE 40

FINANCIAL RECORDS AND INFORMATION

The Share Company shall keep such records as are necessary to exhibit clearly and correctly the state of its affairs and to explain its transactions and financial position in accordance with the provisions of Microfinance Business Proclamation 626/2009

ARTICLE 41

FINANCIAL REPORT

- 1) The financial year of the Share Company shall begin on July 1st and shall end on June 30th E.C of the next year. However, the first financial year shall run from the date of registration of the Microfinance and shall end June 30th E.C
- 2) At the end of each financial year, and on the basis of the report submitted to it pursuant to Article 38 (3) above, the Board of Directors shall prepare a general report on the status of the Microfinance operations and submit to the General Assembly Meeting of the Shareholders
- 3) The report shall give detailed information on the profit and loss accounts on the Remuneration of the Directors and Auditors and proposals for allocations to reserves and the distribution of dividends

ARTICLE 42

SUBMISSION OF ACCOUNTS AND REPORT TO THE AUDITORS

The inventory, balance sheet, profit and loss account and the report of the Board shall be submitted to the Auditors not less than 30 (Thirty) days before the notices of Annual General Meeting of the Shareholders are dispatched.



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ARTICLE 45

MINTENANCE OF CAPITAL AND THE LEGAL RESERVE ACCOUNT

The Company shall always maintain its capital and legal reserve in accordance with laws and the directive issued by the National Bank of Ethiopia.

ARTICLE 46

PROVISIONS, DEPRECIATION AND AMORTIZATION

- The Share Company shall maintain provisions in accordance with pertinent laws and directives issued by the NBE
- The Share Company shall depreciate its assets and amortize its capitalized expenditure in accordance with the relevant laws

ARTICLE 47

ALLOCATION AND DISTRIBUTION OF DIVIDENDS

- Subject to the provisions of Article 2 of these Association, distribution of dividends to the Shareholders from net profits shall be proposed by the Board of Directors and approved by the General Meeting of Shareholders Distribution of Dividends shall be effected after transfer to the Legal Reserve Account and such other reserve funds as may be proposed by the Board of directors and approved from time to time by the General Assembly Meeting of the Shareholders. The Dividends referred to above shall be distributed to the Shareholders in accordance with these Articles of Association as provided by law
- Dividends may be declared and paid in money or shares.
- Dividends paid contrary to approved balance sheet shall be fictitious and shall be criminally and civilly liable



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- 40 The date and manner of payment shall be decided by the General Assembly Meeting of the Shareholders

ARTICLE 48

PUBLICATION OF FINANCIAL STATEMENTS

- 1) Within 15 days (Fifteen Days) of the end of the Financial year a signed copy of the provisional balance sheet and the statement of the profit and loss account shall be sent by the Share Company to the NBE
- 2) The Share Company shall publish the audited balance sheet and profit and loss account in a newspaper of wide circulation in Ethiopia.

CHAPTER SIX

RECEIVERSHIP, LIQUIDATION AND MISCELLANEOUS PROVISIONS

ARTICLE 49

RECEIVERSHIP AND LIQUIDATION OF THE MICROFINANCE

- 1) The provisions of Microfinance Proclamation No. 262/2009 shall be applicable to the company
- 2) Ne or more circumstances stated under Article 626/2009 of Microfinance Business Proclamation shall be a good cause for the Share Company to be fall under receivership
- 3) The provisions of the Commercial Code and other relevant laws shall be applicable with respect to receivership and liquidation of the Share Company in so far as they are inconsistent with the provisions of Microfinance Business Proclamation



ARTICLE 50

AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF

ASSOCIATION

- 1) Unless otherwise provided by law, the MOU and these Articles of Association may be amended by Extraordinary Assembly Meeting

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(Handwritten signatures and stamps)

2) Any Extraordinary General Assembly Meeting called to vote on amendments to the MOU and Articles of Association shall conduct its business in accordance with the provisions of these Articles of Association, the Commercial Code of Microfinance Business Proclamation No.626./009

ARTICLE 51

APPLICABILITY OF OTHER LAWS

The provisions of the Commercial Code, Microfinance Business Proclamation No.626/2009 and other relevant laws shall apply to matters not covered by these Articles of association

ARTICLE 52

MISCLLENOUS PROVISIONS

- 1) In case of conflict of interpretation between the Amharic and English versions of these Articles of association, the Amharic version shall prevail
- 2) These Articles of association shall enter into force after adoption by the General Assembly Meeting of Subscribers and Registration by the NBE and document authentication and Registration office.

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ARTICLE 53

EFFECTIVE DATE

This article of association is signed today, i.e. 22/05/2020; and it will be effective when it is resisted by the documents registration office and the Ethiopian National Bank.

Founding MembersName	Signature
Dr. Daher Mohamed Muhumed	
AtoAhmednur Ali Hussein	
AtoAwolMahamed Ahmed	
AtoAbdireshidBashirSheki	
AtoMustafè Hassan Abdi	
AtoAmin Haji Mohamed Ali	
AtoAbdulahiMahamudHassen	
AtoBashir AbdinadirHassen	
W/roZernab Haji Mahamed Ali	

