

**ABC CONSTRUCTION SHARE COMPANY
MEMORANDUM OF ASSOCIATION**

Members, whose signatures are found at the end of this document, have agreed to establish a Share Company having the purpose of running the commercial activities stated in Article 3 of this Memorandum of Association; governed by the Commercial Code of Ethiopia, these Memorandum of Association and Articles of Association attached herewith.

Article 1

Name, Nationality and Address of Shareholders

No.	Name	Nationality	Passport number	Address
1.				
2.				
3.				
4.				
5.				

Article 2

Name and Head office of the Company

1. The name of the Company shall be _____ Share Company.
2. Without affecting the right of Shareholders to open branch offices in other parts of the country or outside Ethiopia in future, the Company's head offices shall be in Addis Ababa, Ethiopia, _____ Sub city, kebele _____ House No. _____.

EIA

Article 3

Business Purpose of the Company

The Company is established for the purposes of:

- A.
- B.
- C.

Article 4

Capital

The subscribed capital of the Company is Birr _____
(_____) and Birr _____ (_____) has been paid up in _____ (cash and/or in kind). The subscribed capital is divided by _____ shares having a value of Birr _____. The remaining unpaid capital of the Company shall be paid within _____ months. The numbers of shares owned by the shareholders are as follows:

No.	Name of shareholder	No. of shares	Value of a single share	No. of Subscribed capital	No. of Paid up capital	No. of unpaid capital	Total Contribution
1.							
2.							
3.							
4.							
5.							

T o t a l						

Article 5

Liability of Shareholders

1. Shareholders shall be jointly and severally liable to the Company and third parties.
2. The Shareholders shall guarantee and follow up that the subscribed capital of the Company will be fully paid.
3. Shareholders liability is limited to the shares they have in the Company.

Article 6

Distribution of Profits and Losses

Unless the Shareholders agree otherwise, the annual profit of the Company shall be distributed among the Shareholders proportional to the number of their shares. Accordingly, if there is a loss, it shall be distributed between themselves. In any case the Shareholders could not be made liable beyond the value of shares they own in the Company.

Article 7

Management of the Company

1. The Company have _____ Directors (not less than 3(three) nor more than 12(twelve) Directors) who shall form the Board of Directors.
2. The Company shall be managed by the Board of Directors. The term of office of the Directors shall be _____ (not more than three) years.
3. The Directors may be re-elected for another term of _____ (not more than three years) years by the General Meeting of Shareholders.
4. When, during a financial year, one or more directors have left the Board, the provisions of Article 351 of the Commercial Code shall apply.
5. The Board shall appoint a Chairman and a Secretary. Based on this _____ is appointed as the first Chairman of the Board.
6. The Board may also appoint a General Manager/s who shall act and sign on behalf of the Company.
7. Without prejudice to the provision of Article 362, 364, 446 and 447 of the Commercial Code, the Board of Directors shall have the following powers and duties:
 - a. Control the management of the Company;
 - b. Implement the decisions of the General Meeting of Shareholders;
 - c. Appoint the General Manager of the Company;

- d. Employ and dismiss workers of the Company, determine their salaries, bonus and other conditions attached to employment and termination;
- e. Own and dispose of movables as per the decision of the General Meeting of Shareholders;
- f. Prepare amendment to these Memorandum of Association and Articles of Association of the Company and submit for the approval of the General Meeting of Shareholders;
- g. Prepare internal regulation and submit for approval to the General Meeting of Shareholders;

Article 8

Auditors

1. The Company will have auditor/auditors appointed by the General Meeting of Shareholders.
2. Shareholders representing not less than 20% of the capital may appoint an auditor selected by them.

Article 9

Duration of the Company

Without prejudice to Shareholders' right to decide otherwise, the Company is established for unlimited period of time.

Article 10

Reports of the Company

1. At the end of each financial year, the Directors shall prepare a detailed inventory and valuation of the assets and liabilities of the Company.

2. They shall draw up a balance sheet and a profit and loss account and prepare a report on the state of the Company's activities and affairs during the last financial year.
3. The inventory, the balance sheet, profit and loss account and the Director's report shall be submitted to the auditor/auditors and the Ministry of Trade and Industry not less than 40(forty) days before the notices calling the annual General Meeting of Shareholders are dispatched.

Article 11

Applicable Law

For matters not covered in this Memorandum of Association, the relevant provisions of the Commercial Code shall apply.

<u>Name of Shareholders</u>	<u>Signature</u>	<u>Date</u>
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

IN KIND CONTRIBUTION MADE BY MRS/MR _____

No	Item	Quantity	Value	Shares Allocated to the Contribution
1				
2				
3				
4				