

December 07, 2010

1. Mission

The Egyptian Company for Mobile Services S.A.E. ("ECMS" or the "Company") Board of Directors (the "Board") has established the Audit Committee (the "Committee") to assist the Board in the oversight of both the internal and external audit functions in accordance with applicable laws, regulations and rules, including, without limitation, the Rules for the Listing, Continuation of Listing and Delisting of Securities on the the Egyptian Exchange (the "Listing Rules") as determined by the Egyptian Financial Supervisory Authority ("EFSA").

2. Purpose

In accordance with applicable laws, regulations and rules, including, without limitation, the Listing Rules, the purpose of the Audit Committee is to:

- Oversee the accounting, auditing, financial reporting and internal financial control matters of ECMS.
- Monitor the integrity of the Company's management and its policies, legal compliance (in coordination with other committees), reporting practices and systems of internal controls regarding finance and accounting.
- Review the effectiveness of the Company's internal financial controls, internal audit, internal control and risk management systems.
- Recommend the appointment, compensation and retention of the External Auditors.
- Oversees the independence, qualifications and performance of the Company's External and Internal Auditors.
- Establish and maintain procedures for processing complaints regarding accounting, internal controls or auditing matters and for the confidential anonymous submission by the Company's employees.
- Review any issue of conflict of interest, ethical conduct or compliance with law.
- Provide one avenue of communication among the External Auditors, management, the internal auditing function and the Board concerning accounting, auditing, financial reporting and controls.
- Carry out any other appropriate duties and responsibilities as may be assigned by the Board.
- Carry out any other function specified in the Listing Rules.

3. Authority

- The Committee is an advisory committee. It receives its authority and its assignments from the Board, except in matters where its authority is derived from applicable laws, regulations and rules, including, without limitation, the Listing Rules. The Committee shall only be entitled to make recommendations in writing to the Board but shall have no decision making authority. The ultimate decision remains with the Board subject to the provisions of the Listing Rules regarding the Board's response to the recommendations of the Committee.
- The Committee regularly reports to the Board.
- The External Auditors are directly accountable to the Committee.
- The Committee shall have direct access to the External Auditors and to anyone in the Company; the Committee shall have access to sufficient resources in order to carry out its duties and responsibilities.
- The Committee shall have the ability to contractually commit the Company to pay for services, expenses and other costs and retain, at the Company's expense, special legal and accounting consultants or experts, all, as it deems necessary in the performance of its duties.
- The Company shall provide the Committee with appropriate funding for its expenses and for payment of compensation to auditing firms and other advisors it determines necessary to carry out its duties.
- The Committee shall resolve any disagreements between management and auditors regarding financial reporting.
- The Committee may seek any information it requires from external parties or employees – provided that this is done with the knowledge of the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) - both of whom are directed to cooperate with any of the Committee's requests.
- The Committee may meet with the Company's officers, external auditors, or external counsels, as necessary.

4. Composition and Requisite Skills

4.1 Membership

- The Committee shall be comprised of four (4) non-executives Board members, possessing the requisite competence and expertise in the business of the Company in accordance with the Listing Rules.
- Members should collectively possess the expertise and experience in accounting, auditing and financial reporting needed to understand and resolve concerns raised by External and/or Internal Auditors.
- At least one (1) member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any comparable experience or background which results in the individual's financial sophistication, as defined by Sarbanes Oxley act and the Egyptian Exchange, to be considered “an Audit Committee financial expert”.
- Members of the Committee are appointed and removed by majority vote of the Board. The term of the mandates of the Committee members cannot exceed the term of their mandate as Board members. Re-election of existing members or new members shall be arranged to maintain continuity.

Audit Committee Members

- Shall be independent of management and operating executives.
- Shall not be affiliated persons of the Company or any subsidiary.

- Shall be free of any relationship that would interfere with the exercise of their independent judgment.
- Shall not directly or indirectly receive any consulting, advisory or other compensatory fees from the Company apart from compensation as a Board member.
- The prohibition on other compensatory fees includes indirect acceptance through payments to spouses or other family members and to entities in which the director is a partner, officer or holds a similar position, all as defined by law.
- The prohibition excludes amounts received from fixed retirement compensation for past service.

4.2 Committee's Chairman

- The Committee Chairman shall be appointed by the ECMS' Board.

4.3 Committee's Attendees

- The Board's Chairman, the Board's Vice-Chairman, the CEO, the CFO, the Legal Director, the External Auditor and the Head of Internal Audit (or their nominees subject to the Committee's Chairman approval) may attend meetings of the Committee, as observers when invited by the Committee Chairman.
- The Committee's Chairman may request other Board members, members of management, representatives of External Auditors and other persons to attend meetings.

5. Meetings

5.1 Frequency

- The Committee shall meet at least four (4) times per fiscal year, physically or via conference call, on a schedule adopted by the Committee and as many additional times as the Committee deems necessary.
- The Committee shall meet at least five (5) days before any meeting of the Board where matters falling within its competence in accordance with this Charter or the Listing Rules shall be discussed. This five (5)-day period may be reduced provided that (i) the Committee's Chairman presents orally and in sufficient details the Committee's recommendations to the Board members during said Board meeting, and that (ii) the Board accepts the waiver of such five (5)-day period during its meeting.
- The Committee's Chairman or any two (2) other members of the Committee may call for a meeting of the Committee to consider a specific issue
- The Committee shall have, at least once a year, one closed meeting with the External Auditors and one meeting with the Internal Auditor without the Company's management participation.

5.2 Quorum

- The quorum of meetings shall be the attendance of at least three (3) members, either in person or by proxy or via teleconference.
- In the absence of the Committee's Chairman, the attending members shall appoint an acting Chairman.

5.3 Minutes

- Minutes of each meeting shall be prepared at the direction of the Committee or meeting Chairman and sent to Committee members and to all other Board members.
- Copies may be provided to the External Auditors, the Internal Auditing, the Chief Financial Officer and the Legal Director, at the discretion of the Committee.

6. Scope of Duties and Responsibilities

6.1 Financial Reporting

The duty of the Committee is to advise the ECMS board on correct implementation of budgetary and financial reporting, external audit, internal audit and internal control principles.

The Committee's duties include especially:

- Review the Company's annual and quarterly audited financial statements and the related documents prior to filing or distribution. The review should include discussion with management and External Auditors of significant issues regarding accounting principles, practices, audit findings, disclosures, judgments and any other requirement under accounting standards and rules.
- In consultation with management, External Auditors and Internal Auditor, consider the integrity of the Company's financial reporting process and controls.
- Discuss assessment of significant financial risk exposure and the steps management has taken to monitor, control and report such exposure.
- Review significant findings prepared by External Auditors and Internal Audit function together with management's responses.
- Review the process of issuing ECMS bonds and notes.
- The Committee shall challenge when necessary:
 - a. The consistency of, and any changes to, accounting policies;
 - b. The methods used to account for significant or unusual transactions where different approaches are possible;
 - c. Whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments;
 - d. The clarity of disclosure in the Company's financial reports;
 - e. All material information presented with the financial statements.
- Prior to issuing quarterly and annual earnings release, the Committee shall review with management the information being communicated to the public in the press releases.

6.2 External Audit

The Committee shall:

- Consider and make recommendations to the Board in relation to the appointment, re-appointment and/or removal of the Company's External Auditor(s).
- Review the independence and performance of External Auditors and recommend retaining or discharging External Auditors as circumstances deem necessary.
- Establish policies and procedures, as the Committee deems appropriate, pertaining to relationship with the External Auditors, including clear hiring policies for employees and former employees of External Auditors.
- Recommend the External Auditors' engagement terms and fees for annual audit services.

- On at least an annual basis, review a formal, written statement from External Auditors on such matters as prescribed by law or exchange requirements, including all relationships between the Auditors and the Company or its management.
- Discuss and determine with External Auditors all significant relationships they have with the Company and their impact on the Auditors' objectivity and independence, including non-audit services and the fees proposed and charged.
- Review External Auditors' audit plan; discuss scope, staffing, locations, reliance upon management and internal audit and general audit approach.
- Consider External Auditors' judgment about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- The Committee shall meet with External Auditors at least once a year, separately from management, to discuss their remit and/or any issues arising from the audit.

6.3 Internal Audit

- Monitor and review the effectiveness and independence of the Company's internal audit function.
- Support the CEO's recommendation to appoint or remove of the Head of Internal Audit.
- Consider and approve the remit of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.
- Review and assess the annual internal audit plan and budget.
- Review the quarterly summary of Internal Auditor's activity and any urgent reports on the Company.
- Review and monitor management's responsiveness to the findings and recommendations of the Internal Auditor.
- Review with the Company's corporate governance department and/or legal department any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations (in coordination with other committees), and inquiries received from regulators or governmental agencies.
- The Committee shall meet with the Internal Auditor at least once a year, separately from management, to discuss his/her remit and/or any issues arising from the audit.

6.4 Internal Control and Risk Management Systems

- Monitor and regularly review the effectiveness of the Company's internal control function and risk management systems.
- Review and assess the annual internal control plan, findings and recommendations.
- Review and assess the annual risk map and its related mitigation plans.

6.5 Whistle-blowing and Fraud

- The Committee shall review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.
- The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up actions.
- The Chairman of the Audit Committee will be informed immediately of any event of:
 - Fraud involving an Officer or Director regardless of materiality.
 - An instance of fraud that is considered material to the financial statements (above EGP 50K).

- A semi-annual report summarizing the incidents of internal and external fraud to be submitted to the Audit Committee.

6.6 Related Parties Transactions

- The Committee shall assist the Board in assessing and reviewing related party transactions and shall review such transaction and recommend to the Board to approve and/or reject them, in accordance with applicable laws, regulations and rules. In accordance with the Listing Rules, the Committee shall oversee the submission of reports from independent experts on related party transactions and their effect on the Company and its shareholders.
- The Committee shall be responsible for reviewing, evaluating and submitting its recommendation to the Board based on the relevant details and analysis submitted by the Company Management.
- The Chairman of the Committee shall be responsible to communicate the Committee recommendations to the Board.

7. Decision-making process

- All recommendation from the Committee shall be reached by the majority of those members present at the Committee's meetings and in the event of the equality of votes, the Chairman of the Committee shall have a casting vote.

8. Reporting responsibilities

- The Committee shall have the duty and responsibility to report its activities to the Board. Annual and periodic formal reports of the Committee activities are an important communication link between the Committee and the Board on key decisions and significant findings within its authorities.
- The Committee shall submit quarterly reports to the Board, and the Board shall respond to the recommendations of the Committee within 15 days from being notified thereof. The Chairman of the Committee shall notify EFSA and the Egyptian Exchange with a summary of the report of the Committee and the recommendations included therein as well as the response of the Board, within 15 days from receiving the response of the Board and no later than 60 days from the lapse of the relevant quarter. The Committee shall make any recommendations it deems appropriate, to the Board, on any area where action or improvement is needed.

9. Charter Review

- The Committee shall, annually or as necessary, review and assess the adequacy of this charter and submit any proposed changes to the Board for approval.
- The Committee shall perform any other activities consistent with this Charter; the Company's by-laws and applicable laws, regulations and rules, including, without limitation, the Listing Rules, as the Board deems necessary or appropriate.