

Strategic Partner File

Dear Distinguished Partner,

Greetings...

The Board of Directors of Shareholding Private Joint Stock Damascus Cham Holding and its executive administration welcome you as a premium partner and a strategic investor. We plan together to build a loved country and an uplifting future for our children.

First of all, we thank you for your interest and willingness to invest and participate, and we are happy to cooperate with you to discuss your future investment projects and ideas in all seriousness and great hope to succeed with you.

Below you will find the preliminary and basic papers that we would like to see and study in depth. It contains the information and investment ideas necessary as a first step to start discussing our new investment project.

1. Preparation of Initial Feasibility Study Model

The model includes the elements of the initial study, which includes the ideas and preliminary information of the project desired to be implemented and some preliminary studies of the elements of the project. The detailed economic studies are to be postponed until the establishment of the company to be one of the primary tasks of the executive administration.

2. Preparation of the Investment Contract Articles Model

The model includes the legal foundations for establishing a new company with you, through which your proposals form the new company and the percentages details of your desired share in capital, profits, and administration authorities (Board of Directors and Executive Administration), we come out of the agreement with an initial shareholder deal, and then to the articles of the basic system of the new company.

3. Investment Partner Information Model

The model includes items for your current information regarding your companies and their legal registration on the one hand, and a statement of the solvency of your company on the other, in addition to an overview of the projects and achievements done by you, and on the future investment plans of your existing companies.

4. Investment Partner Information Model – Added Value

The model includes the detailed most important points of you respectively and the need to cover all the constituents of your investment structure, reflecting the values added by your generous party and raise the market value and investment of the new company you desire to participate in.

5. Damascus Cham Holding Investment Regulation System

It includes a copy of the investment system of Damascus Cham Holding Company, approved by the General Assembly and the Board of Directors, in which we would like to inform you of the basic rules and binding regulations in terms of participation formats and priorities and types of investment governing the work of our company.

These papers contain the basic headings required by us, with the hope that any other items and information that you find useful and necessary through which allow studies and discussions with the Board of Directors to form ideas and decisions can be shared with you in preliminary discussions leading to the formation of a preliminary vision of the new investment company milestones.

Our Slogan... A Partnership Building A Country.

Preparation of Initial Feasibility Study Model

The Project's Title	- states the name of the project to be implemented
The Project's Purpose	- states the purpose of the company's establishment, its aims, and its objectives
The Study's Principles and Defaults	<ul style="list-style-type: none"> - The basics of calculating preliminary project expenses - The basics of calculating preliminary project revenues/sales
Sale and Marketing Studies	<ul style="list-style-type: none"> - A brief report to the market's status, including the market's needs of desired investments, estimating their magnitude, the targeted stratum, market competition, and market prospects
Notes	<ul style="list-style-type: none"> - General notes and recommendations (if found)

Preparation of the Investment Contract Articles Model

Part of the components of the project's investment partnership file

Proposed name of the company	
Legal form of the proposed company	
Proposed company's Headquarters	
The company's activity period	
Proposed capital share percentage	
Gain/Loss distribution percentage	
Cash shares payment method	
The company's aims	
Added value presented to the company	
Board Members number	
Chairman authorities	
Board of Directors authorities	
CEO authorities	
Shares in-kind	
Other points	

Investment Partner Information Model

Part of the components of the project investment partnership file

The company's name	
Information regarding the partner	
Legal form the company	
Commissioned CEO	
Chairman	
A copy of the commercial register	
Company's information	A copy of the company's profile
Financial solvency	<ul style="list-style-type: none"> - A list of real estate properties (internal and external) forwarded with a real estate registers - Bank report (internal and external) showing the level of transactions and bank solvencies
Accomplished works and projects	<ul style="list-style-type: none"> - Internally - Externally
Future plans and projects	<ul style="list-style-type: none"> - Internally - Externally

Investment Partner Information Model – Added Value

Part of the components of the project investment partnership file

Current strength points of the company	In terms of finance, investment, and market
Geographical distribution of the company	A list of branches and associations in cities and countries
Financing works	<ul style="list-style-type: none"> - Balance and the surplus allocated for new investments - Cash flow plans for the next five years
Investment works	Proposed new investment ideas and projects
Service works	Proposed new service ideas and projects

Market works	Market studies for proposed investment and service projects
Special expertise	Technical, investment, engineering, financial, industrial, administrative
Trademarks	A list of trademarks with their market and book value, and their local and international registration domain
Exclusive rights	A list of exclusive rights with their market and book value, and their local and international registration domain
Other added value	

Damascus Cham Holding Investment Regulation System

In reference to item (20) of the basic system of the company concerning the duties and authorities of the board, especially section (c) stating the establishment of an investment system of the company, and presenting it to the General Authority to approve.

And in reference to item (12) of the guidance model for the financial system of private shareholding joint stock companies and their subsidiaries within the administrative units by the Legislative Decree /19/ of 2015 approved by the Council of Ministers, that states in section (2) the necessity of preparing draft plans and current and investment budgets in accordance with the specified regulations in the basic company's and investment systems to be approved by the authority

Item (1) Definitions

Company: Damascus Cham Holding

Board: Damascus Cham Holding Board of Directors

Chief Executive Officer: Damascus Cham Holding CEO

The Body: meaning the General Authority of Damascus Cham Holding

Subsidiary: is the company controlled by the Holding Company

Associate Company: is the company that is influenced by the Holding Company, and is not considered a subsidiary

Authority: meaning the ability to control the operative and financial policies of another company for achieving gains through that company's activities. An authority is imposed if the Holding Company, whether directly or indirectly (through subsidiaries), owns half of the stocks that has the right to vote in the subsidiary.

Important Influence (Effective): is the power to participate in the operative and financial policy decisions of the associate company yet it is not considered as control or joint control over these policies. An important influence is imposed if the investor, whether directly or indirectly, owns 20% or more of the voting power in the associate company, if not proven otherwise.

*Margin

and section (s) of item 20 performing all actions and relinquishing real estate, plots , and sections of the company for the subsidiaries and shareholders, in accordance with the duly approved investment system.

and sections (k) and (d) of the same item: establishing subsidiaries or shareholders with existing companies, and entering into partnerships with one strategic partner or more, in accordance with the Legislative Decree 19 of 2015 commensurate with the regulations and approved systems stated in the investment system, and starting branches or offices, and assigning representatives inside and outside the Syrian Arab Republic in accordance with the Legislative Decree 19 of 2015 commensurate with the regulations and approved systems stated in the investment system.

Item (2) Application Domain:

- a. This system is applied on Damascus Cham Holding investments in particular. Investments of subsidiaries and shareholders of Damascus Cham Holding are subjected to their own systems and regulations that are duly declared by the general authorities and boards of these companies
- b. Tangible and intangible assets are subjected to the regulations of this system, also properties and rights available for investment in Damascus Cham Holding whether these assets, properties, and rights fall into the duly approved organizational areas or outside of it, and whether these assets are part of the Holding company's capital or at its disposal, temporarily or permanently in any form to invest on behalf of the administrative unit (Damascus Governorate).
- c. Investment within the precincts of the board, regardless of the general authority, are subjected to the regulations of this system in accordance to the specifics this system and the basic Holding Company's.

Item (3) Investment Regulations:

- 1- The board, upon establishing investment plan and any other relevant decisions, must take into account the boundaries of its powers and its authorizations specified in the company's basic system
- 2- The board, upon establishing investment plan and any other relevant decisions, must take into account the specified regulations in the systems and regulatory tables for the company's business, especially the company's financial and contracting systems approved by the regulations of item (8) of the Legislative Decree 19 for 2015
- 3- It must be taken into account the feasibility and the convenience of Damascus Governorate asset distribution decisions that are placed at the disposal of the company to manage and/or invest for both parties, whereby making such decisions is based on a proposal by one of the parties (governorate or the holding company) after the

other party's consent based on an explanatory note reflecting the feasibility and clarifying the investment items and predictable revenues

- 4- When setting up its investment plan, the board of directors takes into account the investment priorities and the objectives of establishing the company, while also choosing the most suitable investment and financing alternatives in accordance to the results of the preliminary feasibility studies conducted to invest in an asset or a group of assets, and the requirements of establishing a company or contributing in an existing company.
- 5- When establishing a subsidiary company, the board of directors takes into account the most suitable legal form for it (Limited Liability Company – Private Shareholding – Public Shareholding) based on the company's purpose and the nature of its predicted activities.
- 6- Available asset or a group of assets' decision making must be based on detailed feasibility studies that indicate achieving revenues that are similar or exceed the current revenues in the market of similar investments and according to the type and nature of the investment. Based on the previous, a proposition is made to establish a shareholder company or a limited liability company to execute the proposed investment
- 7- Investment decision related to purchasing shares or stocks in existing shareholder and LLC companies must be based on an explanatory note and a detailed feasibility study (in accordance with the status) the clarifies the expected benefits, employment or investment feasibility...etc.
- 8- Decisions related to purchasing or using shares and stocks of existing shareholder and LLC companies must be based on an explanatory note clarifying the lack of employment or investment in the specified company, or the existence of a better use of the resulting money
- 9- In its policies and investment plans, the board of directors takes into account approving the vertical and horizontal integration in accordance with the expected privileges, and the objectives, nature, and activity of the associate, subsidiary or shareholder company

- 10- In determining its contribution percentage in existing companies or companies under establishment, the board of directors takes into account its purposes of this contribution, whereby it differentiates between the advantages and the expenses of acquiring a controlling share (a subsidiary) or a share with an important influence (associate) and identifying the better option for the company based on the company's expected purpose and the nature of its activities, and also the technical expertise and the financing needs required, and their availability in the company.
- 11- Upon establishing subsidiaries or associates, the board of directors determines the role of the Holding Company in managing subsidiaries and associates based on the expected purpose and nature of the company's activities, and declaring this with the agreement of partners, shareholders, and the basic system of the company under establishment.
- 12- When choosing strategic partners, the board of directors takes into account the reputation of the partners, their financial adequacy, and their former experience within the expected prospect of the company. The board of directors also takes into account declaring the preponderance right for any relinquishing processes that may be conducted by those partners within the shareholder or subsidiary company's basic system.
- 13- When making its investment plan, the board of directors takes into account the diversity of investment terms between long and short term investments, thus ensuring the achievement of the highest revenue, while also taking into account any shortages or risks resulting from loopholes in financing and paying the company's obligations
- 14- When making investment plan, the board takes into account the diversity of investments ensuring lower accumulation risks and avoiding possible losses

- 15- When making any investment decision, the board takes into account the investment's exposure magnitude, and the maximum limit of risks the company's money can afford
- 16- The board determines the limit of debts attributed to the holding company's capital (private money) whereby the debt rate is adequate the company's status, its investments and financial situation
- 17- The board takes into account setting a limit for foreign contribution (non-Syrians) in the capital of the companies that were established according the companies purpose and the nature of their activities and in accordance with the laws and regulations in force.
- 18- When setting up its investment plan, the board takes into account the economy's exceptional circumstances and the effects of the current crisis on the business environment.
- 19- When making an investment with part of the surplus liquidity, the board takes into account in creating a debentures wallet (bonds for companies listed in Damascus debentures market) in case of lack of exploiting the available liquidity, that these debentures are of high liquidity and acceptable revenues and that it does not contradict with the purpose of the company.
- 20- No member of the board, nor the company's representatives, is allowed to have a direct or indirect interest in the projects or the contracts that are done with the company or for it, unless by a license given by the committee, and this license must be renewed every year if the contracts contain long-term obligations. An exception is public contracting works and bids, which allows to all competitors to equally submit offers, if the board member or the representative has the best bid. The prohibition or the license permission stated in this section is also in effect on the transactions with up to 4th degree relatives of the people stated in this section.
- 21- The board must ensure an integral system of reports and information that allows constant monitoring of investments and their risks, allowing the board to make the right decisions when necessary
- 22- When necessary, the board sets a limit for any kind of investments through setting a limit to the total value of the

investment to-be-controlled from the total value of the board's investments, or the total value of assets or its capital; this is through the board's estimation of the related risks to such investments.

Damascus, 13/7/2017

Chairman of the Board of Directors

The Prohibition or standard mentioned in the stated section is based on what is stated in companies` law and the Policy of the company.