

# EGYTRANS



# ابجيترانس

## EGYTRANS Board Charter

### Role

- Develop and adopt the company vision, mission and goals as well as developing the general policies and strategies. Impose the necessary control methods to ensure the rights of shareholders and all the relevant parties. The board as well has the right to select, recruit, supervise and control the company management.
- The board performs this role according to the company benefit requirements. The board also is responsible of its performance which is reflected in the company's performance in front of the general assembly.

### Composition

- The number of members is determined as stipulated in the company main system. The number of the board members must be revised periodically to be commensurate with its rationale according to the studies carried out by the board Nomination and Compensation Committee. The studies must evaluate the availability of the appropriate fields of specifications within the board members which is required for better performance.
- The recommendations of these studies, after taking the board approval, must be presented before the ordinary or unordinary general assembly to be adopted.
- The board must select a chairman as stipulated in the company main system.
- The board must assign a member to be the chief executive officer and the board has to determine his actual tasks yet that member must be assignee for management.
- The duration of board session is three years according to the company main system as well as the laws and rules applicable in this regard. The board members can be reelected for an unspecified number of sessions, according to ordinary General Assembly resolutions, and it is considered a new assignment.
- Its preferable to have at least two experts independent members within the board members

### Duties and Authorities

#### General Duties and Authorities

- The board of directors must boost the company interests taking into account the interests of shareholders and other relevant parties to be done independently.
- The board of directors must develop general procedures for the company activities and to be responsible for following up how the executive management is respecting those procedures.
- The board of directors is responsible for the quality of its performance.
- The board members must work effectively to serve the public interests of the company.
- Chairman and CEO must provide the rest of the members and the board committees with all the information relating to the company in time.
- The board members individually have to keep the confidentiality of the company data, information and documents whether they obtain them from the company management, the internal auditor, the external auditor or others according to the law and the company main system.
- All the board members have the right to obtain any documents or information relating to the company to help them in performing their duties, to be done through the board of directors' secretary.
- The board members have the right to ask the help of experts and consultants to assist them and give them advice, to be approved by the board itself.

#### Controlling the Executive Management

- To control the executive management, the board of directors must consider the following:
  - Achieve the company objectives

- The followed strategies according to the company activities
- Risk management and internal auditing structure and procedures.
- The procedures of preparing the financial statements.
- To be committed by the applied rules and procedures, in addition to any considerations must be taken into account according to the laws
- The board of directors, at least once every year, must discuss the company's risk map and the strategies to deal with those risks according to the report submitted by the board auditing committee especially what is related to the changes in risk assessment and the strategies of dealing with them.
- The board of directors must take decisions for the following issues:
  - Identify and modify the company strategic objectives, also identify and modify the key performance indicators associated with those objectives.
  - Adopt the resolutions of the auditing committee concerning the transactions with related parties.
  - Adopt the resolutions of the auditing committee concerning the key transactions that may cause conflict of interest.
  - Appoint and dismiss the board of directors' secretary.
  - Adopt the resolutions of the nomination and compensation committee concerning nominations and compensation of the company top management.
  - Prepare and audit the financial statements before they are circulated.
  - Any other decisions in accordance with the law or the company main system.

### **Board Members Duties and Board Performance**

- Board members must nominate new members whenever necessary and present them before the board nomination and compensation committee.
- Discuss amending the number of board members according to the work requirements and present it before to the nomination and compensation committee to be considered. Discuss also the formation of the board committees either the permanent or temporary in order to support the board performance. In case there are no members in certain board committee, the board will handle its work until new members are assigned except for the auditing committee.
- Present any topics related to the conflict of interests either in the company or the board of directors to take a decision in its regard.
- The board of directors must make self-assessment for its work and activities at least once every year.

### **Controlling Authorities**

- According to the board auditing committee recommendations, the board of directors must control the commitment to all the requirements of preparing and circulating the financial statements (the annually or the quarterly) and the other financial data. The board of directors as well, through the board auditing committee, must control the internal auditing performance and the external auditor work mechanism.
- The board auditing committee must submit periodic reports with the financial reports before the board of directors. The committee, in exceptional cases, must submit its opinion about the company financial position and evaluate the company's control performance as soon as possible.
- The board of directors must take into account the recommendations of the external auditor- if accepted - whether in the company financial performance or in the internal control performance

### **Nominating and Evaluating the External Auditor**

- According to the auditing committee recommendations, the board of directors must nominate the external auditor in the ordinary general assembly and the board must provide the general assembly with all the nominee relevant data to take the assignment decision.
- According to the auditing committee recommendations, the board of directors must present its recommendation concerning the external auditor compensation before the general assembly as well as the conditions of his non-auditing services to ensure the independence of the external auditor.
- The auditing committee must present annual reports before the board of directors concerning the assessment of the external auditor particularly with regard to his independency as these reports must be taken into account in nominating the external auditor to the ordinary general assembly.
- The auditing committee must present a report before the board of directors every three years concerning the assessment of the external auditing process during that period and this report must be available to the General Assembly members.

- The board of directors must assist the board auditing committees to take the appropriate decisions in case there is a conflict of interest between the external auditor and the company. The external auditor must not be assigned by any additional duties without the approval of the auditing committee and the board of directors to present those duties before the company general assembly.

### **Shareholders' Relations**

- The board of directors must ensure that the information, particularly those reflect on the price of the shares, is submitted to the shareholders and the relevant parties in accordance with the rules of justice and equality.
- The board of directors must ensure that all the laws concerning the rights of shareholders are maintained, and the validity of the ordinary and non-ordinary General Assembly procedures.
- The Chairman must ensure that all the board members attend the General Assembly except in case of an acceptable excuse.
- The board of directors must ensure that the external auditor and legal consultant attend the General Assembly to answer the questions of the General Assembly members.

### **Board of Directors Meetings - The Decision-Making**

- The board of directors must meet whenever necessary, but not less than 6 times annually. Those six meetings must be put on an annual agenda. The Chairman or two board members have the right to ask for a board meeting in case of emergency.
- With the exception of emergencies, the board meetings to be held upon an invitation from the Chairman. The invitations to be sent to the board members 7 days before the meeting attached with the adequate documents for each item of the meeting agenda which is mentioned in the invitation. Each board member has the right to add an item or items for discussion within the invitation, to be sent at least 5 days before the meeting.

### **Attending Board Meetings**

- The board members must attend the meetings and actively participates in the discussions.
- The board meeting will be valid only if attended by the majority of the members, and resolutions of the board are issued upon the absolute majority of the members unless the main system requires a special majority.
- The board members may represent each others in attending meetings, in cases of necessity, provided that the representatives should not exceed one third of the votes. The board member as well cannot represent more than one member and this member must be Egyptian.

### **The Chairman – The board reports**

- The Chairman is the head of the meeting, in his absence the meetings is headed by one of the members that the Chairman delegates
- The board secretary must document the minutes of board meetings after each meeting in a special booklet, in accordance with the provisions of the law.
- The minutes of meeting must be signed by the Chairman and board secretary. This booklet should be kept in the company main headquarter. The minutes of meeting must include the following:
  - Names of the attendees.
  - Names of the absences and mention the excuses if exist.
  - Names of the attendees who are not board members and mention the topics that they attended to discuss.
  - A full summary for all the board discussions and all that the board members asked to be mentioned in the minutes of meeting.

The minutes of meeting is adopted at the beginning of the next meeting

### **Board Decisions**

- Each Board member has one vote

- The board decisions are taken upon the absolute majority of the members as stipulated in the company main system.
- The board decisions must be adopted during the same meeting.

### **Conflict of Interests**

- Every board member must present a report before the Chairman about any current or expected conflict of interest. The report must include all the relevant information either the conflict is with the board member or with one of his relatives. When taking a decision on this concern, that concerned member doesn't participate in the voting or discussion of the topic.
- The board members must comply with the company policy with regard to the transactions with related parties and the policy governing the internal handling of the company's shares. Any topic concerning the previous two policies must be approved by the board auditing committee

### **Board Members Compensation**

- Amending the board members compensations must be approved by the company General Assembly according to the recommendations of the board of directors based upon the suggestions of the nominations and compensations committee.
- No way to grant loans or loans guarantees to the board members

### **Training Programs for Board Members**

- The board of directors after each appointment must prepare an awareness and training plan for the board members covering the strategic management, general financial and legal affairs, financial reports, as well as subjects related to the company activities, board members responsibility, Corporate governance and risk management
- The board of directors must prepare an annual report about the training and awareness of the board members including the recommendations of the nominations and compensation committee about amending or increasing the training and awareness plan for them.
- The company is responsible for financing the training and awareness plan

### **Other Positions**

- The board members must be sure that they are able to perform effectively for the benefit of the company.
- The board members must inform the Chairman and the board secretary about their external positions or their new positions.
- The board secretary must keep a list of the board members external positions and he must update it regularly.

### **Dealing with the Company's Shares**

- The board members must maintain The rules set forth in the policy organizing the handling of the company's shares
- The board secretary must prepare a report quarterly according to what he received from the Investor Relations department about the board members contributions and their movement to be presented before the board of directors.

### **Confidentiality**

- Taking into consideration the law requirements, the board members during or after their membership must not disclose any confidential information about the company or the related companies whether he achieve by the disclosure personal interest or not.
- The board members after each session must return of all confidential documents to the company's management or destruct them by a way that preserves their confidentiality.
- If any board member wants to disclose any issue related to the company to another party, he must inform the Chairman by the issue, the identity of the other party and the purpose of this disclosure. He also must not disclose before obtaining a prior approval from Chairman. The board member in this case

can ask the assistance of the Investor Relations Department, and this applies on any one attend the board without being a board member.

### **Board Secretary**

- His main task is to help the board of directors and its members in carrying out their duties and give them his opinion about applying the corporate governance rules and procedures.
- All the board members can ask the help or opinion of the board secretary.
- The board secretary must ensure that all procedures of the board of directors took place in accordance with the requirements of law as well as the company main system and the internal policies and systems. One of his duties also is to support the Chairman in the board's activities particularly in providing information to members, preparing and sending the agenda of meetings, preparing the minutes of meeting, making the board self-assessment and developing the training and awareness plan for the board member

### **Miscellaneous Rules**

- The board members must agree on complying with the provisions of this Charter before their appointment
- The Charter may be amended in accordance with the needs and requirements of work.
- In case of disagreement about the interpretation of the provisions of the Charter, the decision is taken upon the members' absolute majority.
- In the case of invalidity of one or some of the provisions of this Charter in accordance with binding legal rules, the validity of the remaining provisions does not affected. In this case, the board of director has the right to amend the invalid provisions of the Charter.