



Egyptian Transport & Commercial Services Co. S.A.E.
Integrated Global Transport Services & Solutions

CODE OF CORPORATE GOVERNANCE

We make integrated transport easy, safe and cost effective

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1. INTRODUCTORY PROVISIONS

The purpose of the EGYTRANS Code of Corporate Governance, reflecting the accepted rationale of corporate governance, is to provide a framework for responsible, value-oriented management and control of EGYTRANS, according with – or where necessary complementing – the applicable provisions of the law.

It is EGYTRANS' firm conviction that in adopting and following such a Corporate Governance Code, the company is materially reinforcing the long-term confidence of Shareholders, Customers, Employees, and other Stakeholders in the leadership of the company and underpinning EGYTRANS' standing in the capital markets. This Code binds not only EGYTRANS' Board of Directors but also EGYTRANS employees. The Board of Directors is charged with the responsibility of ensuring that this Code of Corporate Governance is respected throughout EGYTRANS.

Corporate governance is not a directive to be set in stone for all time; rather, it is an ongoing process. From time to time EGYTRANS Code of Corporate Governance will therefore be reviewed – and if necessary amended – in the light of experience gained, the needs of the day, the law as well as national and international standards.

2. SHAREHOLDERS AND GENERAL ASSEMBLY

2.1 *RIGHTS OF THE SHAREHOLDERS*

Subject to Egyptian Law as well as the Egyptian Code of Corporate Governance, EGYTRANS will observe the rights of its Shareholders and ensure that those rights are given effect. In this context, the essential rights of Shareholders include:

- The freedom to buy and sell shares.
- Right to participate and vote at the General Assembly.
- Right to be informed about the issues to be decided during the Company's General Assembly Meetings.
- Right to participate equitably in the Company's profits.

Every shareholder has the right to receive comprehensive information in a timely manner about the issues decided at the General Assembly, the right to discuss all the items of the agenda, the right to ask relevant questions in relation to the items of the agenda, as well as the right to propose countermotions to the resolutions proposed to be adopted by the General Assembly, the Management and/or The Board.

In order to enable shareholders to reach timely decisions on the issues that will be discussed at the General Assembly, respecting the equal treatment of each Company Shareholder, and considering the right to be informed about major events in the Company, the Company's Board will be responsible for performing the following actions:

- Informing EGYTRANS Shareholders by publishing appropriate information on the Company website and in the daily press including:
 - Invitation for participation in General Assembly.
 - General Assembly Meeting Agenda.
 - Relevant financial reports.
 - Relevant business reports.
- Informing the general public of the following:
 - Prior to the General Assembly's taking place: Invitation with the Agenda on the Company's website and in Arabic in daily newspapers.
 - After the General Assembly has taken place, the Company will publish all the adopted resolutions and voting results.
 - Key business results reached in the previous quarter or year, after the consolidated quarterly, semi-annual and annual business reports and financial reports are issued and approved by the Management and the Board.
 - Press releases to be provided by the Company.

3. THE BOARD OF DIRECTORS

3.1 *ROLE OF THE BOARD OF DIRECTORS*

The Board of Directors selects and supervises the management of the Company in the interest and for the benefit of the Shareholders. The Board of Directors has delegated to the Managing Director the authority and responsibility for managing the business of the Company under the direction of the Board. Each director is expected to spend the time and effort necessary to properly discharge the Director's Responsibilities.

3.2 *COMPOSITION OF THE BOARD OF DIRECTORS*

3.2.1 Size of Board of Directors

The Corporate Governance Committee makes recommendations to the Board of Directors concerning the appropriate size of the Board of Directors. The Board of Directors believes that the quality of the individuals serving on the Board of Directors and the overall balance of the Board of Directors is more important than the number of members.

3.2.2 Board Membership Criteria

The Board Corporate Governance Committee is responsible for nominating individuals for election to the Board of Directors by the shareholders and for appointing individuals as directors between annual meetings of the shareholders. The Corporate Governance Committee identifies reviews and makes recommendations concerning potential members of the Board of Directors.

The Board seeks members from diverse business and professional backgrounds with outstanding integrity, achievement and judgment and other skills and experience that will enhance the Board's ability to serve the long-term interests of shareholders. The Board will evaluate each individual in the context of the entire Board of Directors with the objective of assembling a Board of Directors that can best perpetuate the success of the Company and promote the interests of shareholders. Annually (or more often, if necessary), the Corporate Governance Committee reviews the qualifications and backgrounds of the directors and makes recommendations to the Board as to the directors to be nominated for election by the shareholders at the next annual meeting or to be appointed as directors between annual meetings of shareholders.

3.2.3 Selection of Chairman

The Board of directors concluded that the decision as to whether the offices of the Managing Director and the Chairman should be separate should be based upon the determination of the Board of Directors as to which approach serves the interests of the Company at the time.

3.2.4 Term Limits

The Board does not believe that it should establish term limits for directors. Term limits would deprive the Company of the knowledge and expertise developed by directors from extended service on the Board of Directors.

3.2.5 Directors Who Change Their Present Job Responsibility

The Board of Directors does not generally believe that directors who retire or significantly change the position they held when they became a member of the Board should leave the Board of Directors. However, upon any such event, the Corporate Governance Committee will review the appropriateness of continued service on the Board of Directors by that director.

3.2.6 No Specific Limitation on Other Board Service

The Board of Directors does not believe that its members should be prohibited from serving on boards and committees of other organizations, and the Board has not adopted any guidelines limiting such activities. However, Directors are expected to inform the Chairman of the Board and the Chairman of the Corporate Governance Committee upon becoming a director of any other company or a Board member in any other company. The Corporate Governance Committee and the Board of Directors will take into account the nature and extent of an individual's other commitments when determining whether it is appropriate to nominate such individual for election or appoint such individual as a director.

Each director is expected to ensure that other commitments do not interfere with the director's discharge of his / her duties.

3.2.7 Director Orientation and Continuing Education

The Company shall conduct an orientation program for newly elected or appointed directors on subjects that will assist them in discharging their duties. The Board of Directors and the Company's management shall develop and implement a continuing education program for directors to assist them in discharging their duties.

3.3 BOARD MEETINGS

3.3.1 Frequency of Meetings

The Board of Directors determines its schedule of board meetings each year. The Current schedule is for five Regular Meetings each year. A director is expected to regularly attend meetings of the Board and of the committees on which the director serves, and to review materials distributed in advance of meetings.(At least 1 week (7 days) before the meeting date).

3.3.2 Selection of Agenda Items

The Chairman of the Board of Directors establishes the agenda for each meeting. Each member of the Board may suggest additional items for the agenda.

3.3.3 Distribution of Materials

The minutes of the prior Board meeting, an agenda for the forthcoming meeting, and selected Company financial information are distributed to Board members in advance of the meetings.

3.3.4 Access to Management and Advisors

Board members shall have unrestricted access to management of the company. The Board of Directors shall have the authority to retain independent legal, accounting or other consultants to advise the Board.

3.4 BOARD COMMITTEES

3.4.1 Number and Names of Board Committees

The Board of directors shall establish committees from time to time to assist it in discharging its obligations. Examples of these committees are:

- Audit Committee
- Corporate Governance Committee
- Remuneration Committee
- 4. Risk Management Committee

Each committee shall have a written charter, adopted and periodically reviewed by the Board of Directors. The purpose and responsibility of each committee shall be described in its respective charter. After each of its meetings, the committee shall report on the meeting to the Board of Directors.

4.1.1 Non-executive Committee Members

All Board Committees shall be composed of a majority of non-executive directors.

4.1.2 Committees Agendas

The Chairman of each Board Committee, in consultation with committee members, establishes the agenda for each meeting. Each member of the committee may suggest additional items for the agenda.

4.1.3 Assignment of Committee

The Chairman of the Board, after consideration of the desires, experience and expertise of individual directors and in consultation with the Chairman of the Corporate Governance Committee, recommends to the Board of Directors the assignment of Directors to the committees of the Board of Directors, including the Chairmen of the Committees.

The Board of Directors does not favor mandatory rotation of Committee Assignments or Chairmen. The Board of Directors believes that the knowledge and expertise developed by directors through extended service on a Committee outweigh the benefits obtained through mandatory rotations.

4.2 AVOID CONFLICT OF INTERESTS

While performing their regular work duties, the Board members will respect the following major guidelines:

- When performing their duties, they will not take their personal interests into account, nor will they use the opportunities intended for the Company for their own benefit.



- When performing their duties, they will not seek, nor accept from third parties any benefits and/or opportunities for themselves or any other person, nor shall they promise or offer such benefits and/or opportunities to other persons on behalf or for the account of the Company.
- The Board members will not perform any job which enters within the scope of the Company's Business Operations, neither on their own or others' behalf. The Board Members will also not join the Management or Board members of another company without the approval of the Company's Board.
- The Board members will be obliged to inform the Board, without hesitation, if they have an interest in a certain business opportunity, either for their own account or for the account of a third person, when such a business opportunity might be contrary to the interests of the Company.
- The Board Members will refrain from taking any measure leading to the forbidden disclosure or use of any information of a confidential nature.
- In Case any Board Member did buy from or supply to EGYTRANS any material, goods and/or service he/she will be treated as any other outside clients or suppliers without being provided with any extra advantages or discounts, while considering the approval of all onerous contracts by the ordinary general meeting of the company.

5. TRANSPARENCY

Information disclosed by the Company to the Stock Exchange and/or Daily Newspapers shall be made available via the Company's Internet site for prompt and uniform disclosure of information to the Shareholders and Investors. The Internet site shall be clearly structured and regularly updated.

Any information which the Company discloses abroad shall also be disclosed domestically without delay.

As part of a regular information policy, the dates of General Assemblies shall be published in advance and in an adequate manner in daily newspapers as well as on the Company's Website.

6. ACCOUNTING PRINCIPLES AND AUDIT OF ANNUAL FINANCIAL REPORTS

The Company's Board will ensure that the audit procedures are properly and correctly conducted, the appropriate accounting policies applied and an Internal financial control system is in place and functioning.

The Company shall prepare and regularly publish Annual, Semi-Annual and Quarterly Consolidated Financial and Business Reports.

Consolidated Financial Statements shall contain a list of third party companies in which the company has a share. In this connection the statements shall contain: names and headquarters of the company, the amount of shares owned and the equity of the company.

7. EXTERNAL AUDITOR

Prior to submitting a proposal for selection of an External Auditor, The Board of Directors shall obtain a Statement from the Proposed Auditor stating whether any professional, financial or other relationships exist between the Auditor and the Company that could call the Auditor's independence into question. This statement shall include the extent to which other services were performed for the Company. It shall also include the extent to which other services were performed for the Company in the past years or contracted for the following year, especially in the field of consultancy.

The Board of Directors shall stipulate a contract with the selected auditor and agree the amount of compensation.

The contract shall arrange for the Auditor to report without delay on all Facts and Events of Importance to the Board of Directors which may arise during the performance of the audit.

In accordance with the provisions of the law, the Auditor takes part in deliberations on the Annual Financial Statements and Consolidated Financial Statements and reports on the essential results of