

Governance Report

For the Year 2023

28th February, 2024

Introduction:

Governance Objectives:

Misr National Steel S.A.E. (ATAQA), is committed to applying the best governance practices to achieve the highest levels of transparency and integrity. This ensures the protection, balance, and alignment of the interests of the company, its shareholders, its board of directors, and other stakeholders affected by the company.

Objectives:

- Encourage and support transparency, accuracy, and efficiency as a monitoring body for the company's management following the rule of law.
- Protect and facilitate the shareholders' rights.
- Ensure fair treatment for all shareholders.
- Ensure accurate and timely disclosure.
- Serve as the main communication channel between the company and all stakeholders.
- Provide comprehensive and coherent governance policies to maintain the best working environment for all stakeholders, ensuring good understanding and facilitating their implementation.
- Expand the role of corporate governance beyond meeting the legal requirements by implementing procedures and systems that are in line with the best governance practices.

Related Party Transactions:

Based on the mandate granted by the company's shareholders to its board of directors and in light of practicing the best governance procedures with unified standards, the company has established a framework and methodology through the board of directors to review and approve all related party transactions, regardless of their value.

Confidentiality:

In addition to the social responsibility of the board of directors, it is committed to confidentiality regarding the discussions and decisions issued by the board and its committees. The board shall also notify board members with the information that must be disclosed to the market, as well as the proposed text for statements and disclosures.

First: Company Information

Basic Company Information:

Company Name	Misr National Steel		
Company Purpose	Rolling and forming rebar, purchasing, pressing and herding scrap		
Company Term	25 year	Registration Date on the stock exchange	16.01.2024
Governing Law	Investment Law	Nominal Share Value	
Latest Authorized Capital	1 billion EGP	Latest Issued Capital	600 million EGP
Latest Paid-up Capital	600 million EGP	Commercial Register Number and Date	33018 – 31/05/1998
Contact Person Name	Shymaa Mohamed Kamel		
Head Office Address	New Industrial Zone – ATAQA – Suez		
Phone Numbers	02/37497246 02/37497245	Fax Numbers	02/ 37497245
Website	www.misrns.com		
Email	ir@misrns.com, fd@misrns.com		

Second: General Assembly of Shareholders

Ownership Structure

Shareholders Owning 5% or More of the Company's Shares	Final beneficiary	Number of Shares at the Date of the Financial Statements	Percentage
Al-Wahda Industrial Development		1118706053	93.23%
Trading Shares		81293947	6.77%
Total Shares	-	1200000000	100%

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No.	Member Name	Member Type (Executive/Non-Executive/Independent)	Number of Shares Owned	Date of Joining	Representing Entity
1	Mr. Gamal AbdelKader Abdel Basir	Chairman	-	2003	Al-Wahda Company
2	Mr. Mohamed Gamal AbdelKader	Vice Chairman and Managing Director	-	2008	Al-Wahda Company
3	Mr. Ashraf AbdelHamid Abdel Basir	Vice Chairman	-	2008	-
4	Mr. Ahmed Maher Amin	Member	-	2017	-
5	Mr. Mohamed Masoud Lotfy	Member	-	2017	-
6	Ms. Dalia Gamal AbdelKader	Member	-	2017	Al-Wahda Company
7	Ms. Dina Gamal AbdelKader	Member	-	2023	Al-Wahda Company

Notes:

The Board of Directors was appointed by the company's general assembly on 22.12.2016 and registered in the commercial register on 18.01.2017. The current Board of Directors was renewed by the company's general assembly on 31.03.2020 with the same composition and powers for a new three-year period starting from the end of the previous board on 31.12.2019. The renewal was registered in the commercial register on 17.05.2020. On 18.12.2022, the resignation of Ms. Mona Ateyya Mohamed from the Board of Directors was accepted based on the minutes of the

Board meeting held on 18.12.2022 and approved by the General Investment Authority on 20.12.2022. The current Board of Directors was renewed and Ms. Mona Ateyya Mohamed was removed and Ms. Dina Gamal Abdel Qader "representing Al-Wahda Company" was added to the commercial register on 01.05.2023.

The Board assumed its responsibilities and tasks, which include:

- Developing mechanisms and systems to ensure that all employees of the company comply with the laws, charters, and internal policies of the company. The Board is also responsible for developing an early warning system to detect any irregularities or deviations that may occur and ensure the promptness of taking appropriate action. This system must include ways to protect sources of information and whistleblowers.
- Developing a plan for the succession of authority within the company for senior management positions as well as members of the Board of Directors to ensure the sustainability of the company and the effective operation of its business.
- Determining the powers that it delegates to one of its members, its committees, or others. The Board must also determine the duration of the delegation, the frequency of reports it receives from the committees and the executive management, and follow up on the results of the exercise of those delegated powers.
- Establishing control procedures, tools and mechanisms that work to secure the flow of information, control the accuracy and safety of data within the company, and protect it from tampering and hacking, whether from inside or outside the company, such as securing the use of the Internet and mobile against hacking and piracy.
- General supervision of the data disclosure process and communication channels, ensuring the integrity of the financial and accounting reports issued by the company, as well as ensuring the independence of both the internal audit activity and commitment to the company.

Chairman of Board of Directors

The Chairman of the Board of Directors represents the company before the courts and third parties. The Chairman of the Board of Directors carries out his tasks and duties, including:

- Directing the invitation to held the Board of Directors, setting its agenda, and managing its sessions.
- Inviting the ordinary and extraordinary general assembly to held meeting to consider the agenda presented by the Board of Directors.
- Ensuring that sufficient and accurate information is available timely manner to the Members of the Board of Directors and shareholders.
- Ensuring that decisions are taken on a sound basis and based on comprehensive knowledge of the issues, with the need to ensure that there is an appropriate mechanism to ensure the effective of the implementation of those decisions in a timely manner.
- Receiving reports and recommendations from all committees and present them to the Council on a periodic basis to take the necessary action regarding.
- Ensuring that all Council members conduct a self-evaluation that shows the members are obligated to his job duties.
- Ensuring that the Board is obligated to carry out his duties in an optimum manner in the best interests of the company, while avoiding conflicts of interest.
- Ensuring the effectiveness of the governance system applied by the company, as well as the effectiveness of the performance of the board committees.

Vice Chairman of the Board of Director and Managing Director

He assumes the duties of Vice Chairman of the Board of Director and Managing Director, and his most important duties and tasks are as follows:

- Implementing the company's strategy and annual plan developed and approved by the Board of Directors.
- Presiding over the executive work of the company and managing its daily issues, supervising the progress of work in all departments and divisions of the company, following up on the performance of all activities, and taking whatever decisions he deems necessary to organize work and achieve goals, as well as working to increase customer satisfaction about the company.
- Working to implement all of the company's internal policies, regulations and systems approved by the Board of Directors.
- Proposing topics to be raised at the regular meetings of the Board of Directors in consultation with the Chairman of the Board of Director.
- Supervising the preparation of periodic financial and non-financial reports on the company's results and evaluating its performance, as well as the companies' governance report, and reviewing all responses to auditors' inquiries before preparing these reports.
- Active participation in building and developing a culture of ethical values within the company and proposing reward and motivation systems and mechanisms follow up the power approved by the Council to ensure employee loyalty and maximize the company's value.
- Determining the competencies and responsibilities of all the company's employees in accordance with the applicable work regulations and the decisions of the Board of Directors.

Secretary of the Board of Directors

- The company has appointed a Secretary to its Board of Directors, and the Secretary shall assume the following tasks and duties:

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- Preparing, setting up and managing the logistics of Council and committee meetings, assisting the Council President in preparing the agenda for the meetings, preparing information, data and details related to these topics and sending them to the members on a sufficient time before the meeting.
- Assisting the Chairman of the Board in setting up and preparing for the General Assembly meetings of shareholders.
- Following up the issuance and implementation of Board of Directors decisions and inform the concerned departments of them, as well as preparing follow-up reports.
- Preserving and documenting everything related to the Council's decisions and the topics presented to, while ensuring that the Council obtains important information in a timely manner.
- Coordinating with all Board committees to ensure effective communication between those committees and the Board of Directors.

The company's Board of Directors met (8) meetings, the Audit and Risk Committee met (4) meetings, and the Nominations and Remuneration Committee - the Governance

Committee - and the Occupational Safety and Health Committee met one (1) meeting, as follows:

A schedule for following up the attendance of Council members at Council meetings, committees, and General Assembly meetings:

S.	Name	Board of Directors	Audit and Risk Committee	Nominations and Remuneration Committee	Occupational Safety and Health Committee	Governance Committee
1	Mr. GAMAL ABDELKADER ABDELBASIR	8	-	-	-	-
2	Mr. MOHAMED GAMAL ABDELKADER	8	-	-	-	-
3	Mr. ASHRAF ABDELHAMID ABDELBASIR	8	4	1	-	-
4	Mr. AHMED MAHER AMIN	8	-	1	1	-
5	Mr. MOHAMED MOSAAD LOTFY	8	-	1	1	1
6	Mrs. DALIA GAMAL ABDELKADER	8	4	-	1	1
7	Mrs. DINA GAMAL ABDELKADER	6	4	-	-	1

Board Committees

Committees's Formation

The company has formed the Audit and Risk Committee, the Nominations and Remuneration Committee, the Occupational Safety, Health and Environment Committee, and the Governance Committee:

Serial Number	Member Name	Committee Name				Member Capacity (Non-executive, independent)	Date of joining
		Audit and Risk Committee	Nominations and Remuneration Committee	Occupational Health and Safety Committee	Governance Committee		
1	ASHRAF ABDEL HAMID ABDEL BASIR	President	President	-	-	Executive	2019
2	AHMED MAHER AMIN	-	Member	Member	-	Non-executive	2019
3	MOHAMED MUSAAD LOTFY	-	Member	Member	Member	Non-executive	2019
4	DALIA GAMAL ABDELKADER	Member	-	President	President	Non-executive	2019
5	DINA GAMAL ABDELKADER	Member	-	-	Member	Non-executive	2023

Audit and Risk Committee:

Responsibilities of the committee related to Audit:

The Audit Committee is responsible for the following:

- Studying the company's internal control system and providing a written report regarding its opinion and recommendations.
- Studying the fiscal statements before they are submitted to the Board of Directors and providing its opinion and recommendations regarding them.
- Studying the accounting policies used and providing its opinion and recommendations regarding them.
- Recommending to the Board of Directors appoint one or more auditors for the company, as well as their qualifications, competence, and independence. The decision of appointing and determine their fees shall be the responsibility of the company's ordinary general meeting.
- Reviewing the audit plan of the auditor and providing comments on it.
- Studying the auditor's comments and recommendations on the fiscal statements and other matters stated in the management letter from the auditor and following up on actions taken.
- Ensuring that the company complies with the internal and external rules and regulations, according to the reports submitted thereto by the Compliance Department or other relevant departments.
- Recommending the approval of the auditor to perform additional work other than auditing the accounts and recommending the approval of his fees for such work in proportion to his annual fees.
- Discussing and approving the annual plan of the Internal Audit Department and following up on its efficiency and ensuring its coverage of all departments and activities of the company.
- Reviewing internal audit reports and identifying causes of shortcomings in the company and following up on corrective actions.
- Studying and evaluating the company's early warning system and proposing the necessary to improve and apply it effectively.

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- Studying and evaluating the information and data security systems and ways to protect them from any internal or external breaches.
- Studying the comments or violations received from regulatory authorities and following up on actions taken.
- Inviting the company's auditor or the head of the internal audit department or anyone else from inside or outside the company to attend its meetings whenever necessary.
- Implementing and following up on any other tasks assigned thereto by the Board of Directors.

Key matters discussed by the Committee is as the following :

- 1- Displaying the company's internal control procedures, including compliance with their application and follow-up on internal audit results.
- 2- Accounting policies used in preparing periodic fiscal statements, their consistency with Egyptian accounting standards, and reviewing and discussing the company's financial results stated in the financial statements.
- 3- Discussing the procedures and results of the limited review with the company's auditors and discussion of the draft limited review report.

Internal Audit Department:

The company has appointed an Department for Internal Audit and Compliance

Nominations and Remuneration Committee

The Company forms a committee for Nominations and Remuneration in August 2019 and The Committee met at one meeting.

First: Regarding Nominations, the Committee made the following:

- Regular and continuous Reviewing of the required skills suitable for the Board of Directors Membership and Senior Management Positions and preparing the Qualifications Statement required in light of the implementation of the Authority Consequences.
- Determining the responsibilities of the executive, non-executive and independent members of the Board, and developing job descriptions for the Company's Senior Executive Leadership.
- Continuous verification of the independence of the Independent Board Members and ensuring that there are no conflicts of interest, in case the member holds a membership in the Board of Directors of another Company.

Second: Regarding Remuneration, the Committee made the following:

- Suggesting clear policies for the remuneration and dues of the Board of Directors Members, Committees Members, and Senior Executives of the Company, using standards related to performance in determining those dues, and reviewing those policies annually after conducting the necessary studies and investigations regarding remuneration packages.
- Developing and following up the policy of refunding the remuneration and dues of the Board of Directors Members, Committees Members, and Senior Executives of the Company in case they commit any violations or embezzlement of the company's assets.
- Regarding the incentive shares, it shall be taken into account that it does not only motivate those who obtain it to make decisions that achieve the company's purpose in the short term only, but it shall also be linked to what improves the company's performance in the long term.
- Preparing a detailed annual report includes all remuneration, allowances and benefits obtained by Members of the Board and Senior Management for submission to the General Assembly.

Governance Committee

The company formed a Governance Committee in August 2019. The committee met

As well as the most important tasks that the committee performed are as follows:

- Periodic estimation of the company's governance system and drafting of internal guidelines, charters and policies that related to the method to apply the governance rules within the company.
- Preparing an annual report on the company's compliance with corporate governance rules and developing the appropriate procedures to complete the application of those rules.
- Reviewing the company's annual report and the Board of Directors' report, especially in the regard of disclosure items and other related to corporate governance.
- Preserving, documenting and following up the reports that related to the estimation of the council's performance.
- Studying the observations of the regulatory authorities on the application of governance in the company, taking them into account and following up on what has been done in this regard.

Occupational Safety, Health and Environment Committee

The company has an Occupational Safety, Health and Environment Committee that held meetings regularly. The company has also issued regulation to organize the Occupational Safety, Health and Environment.

Auditor

The company's auditor is appointed by the company's ordinary general assembly in accordance with the provisions of the law, from among those who meet the conditions stated in Law of the Profession of Accounting and Auditing. The auditor is entitled to have independence in performing his work, and the company is committed to considering his observations.

Both Auditors

1-Office of Mr. Medhat Mahmoud Al-Salawi , ZARROUK, SALAWI and partners

Date of Appointment: 30.03.2022

Pursuant to the resolution of the General assembly which held on 30.03.2022.

Registration No. at the Financial Regulatory Authority (Capital Market) is: 25

Registration No. at the Register of Accountants and Auditors is: 3554

2-AHMED MOHAMED HUSSEIN (Office of Mohamed Hussein and Partners)

Date of Appointment: 31.03.2014

Registration No. at the Register of Accountants and Auditors is: 14471.

Disclosure and Transparency

Material Information and Financial and Non-Financial Disclosure

Misr National Steel Company - (Ataqa) shall be committed to disclosing the company's financial information that is of interest to shareholders and stakeholders, in accordance with the rules set by the Egyptian Financial Regulatory Authority and the Stock Exchange, especially, the disclosure about the following:

- Internal information that includes the company's goals, vision, nature of business, plans, and future strategy.
- Systems for improving efficiency, training, rewarding and caring for employees.
- Ownership structures in affiliated and subsidiary companies to the company
- Transactions with related parties and commutative contracts
- Key risks that the company may face and how to solve them
- Disclosing about the treasury stocks to its shareholders and regulatory authorities
- Violations and provisions issued against the company during the year, as shown in the following table:

S.	Provisions, violations, and fines imposed on the company during the year: Explanatory notes
-	None

Investor Relations

The company has appointed an Acting Investor Relations Officer, who will perform all investor relations tasks.

Requirements of Disclosure

Annual report:

The company issues an annual report that includes a summary of the Board of Directors' Report, the financial statements, and all other information that concerns the current and prospective shareholders, investors, and other stakeholders.

The Board of Directors' Report

The company issues an annual report in accordance with Companies Law No. 159 of 1981 and its executive regulations for presentation before the General Assembly of shareholders and Regulatory Authorities.

Disclosure report

The company issues a quarterly disclosure report prepared by the company's management with the assistance of its investor relations department.

Website

The company has a dedicated website where it discloses financial and non-financial information in easy manner for the user.

Covenants and Policies

Whistleblowing Policy

- The company is committed to a whistleblowing policy that aims to encourage company's employees or stakeholders to report any practices that violate the Code of Conduct or any illegal activities.
- The company is committed to a whistleblowing policy related to the regulatory rules and instructions issued in the regard of combating money laundering, financing terrorism, and proliferation of weapons of mass destruction, as stated in laws No. 80 of 2002 on the issuance of the Anti-Money Laundering Law, No. 8 of 2015 on the regulation of terrorist entities, and No. 14 of 2015 on combating terrorism, and the decisions issued by the Financial Regulatory Authority.

Dealing policy with internal parties, related parties and associated parties

The company is committed to follow disclosure policy in the dealing with internal parties, related parties and associated parties. This policy aims to control the trading transactions of the internal parties in the company's shares, regulate relations with related parties, and conclude commutative contracts in accordance with the rules of the regulatory authorities. This form is used to track these transactions.

There are no transactions of internal parties on the company's shares during the fiscal year of 2023.

Social and Environmental Responsibility Policy

The company is committed to its social responsibility and has carried out many social responsibility activities, including sponsoring contracts for talented athletes and people with disabilities, in addition to donations provided by the company to associations and civic foundations.

Annexes to the Report

Required Survey lists in accordance with the Egyptian Corporate Governance Guide.

February 28, 2024

Chairman of Board of Directors

