

Governance report
to Egypt Gas Company for the year 2023

Company data:-			
Company name	Egypt gas		
Company purpose	Carrying out natural gas projects and establishing, operating, managing and owning gas lines, facilities, facilities, systems and all equipment in accordance with the provisions of the law. The company may carry out all work related to these activities, as well as public supplies to others, whether inside or outside the Arab Republic of Egypt, and public contracting for others, whether inside or outside the Arab Republic of Egypt.		
The specified term of the company	25 years - starting in 2008	Date of listing on the stock exchange	April 7, 1992
The law to which the company is subject	159 of 1981 and 72 of 2017 issuing the Investment Law	The nominal value of the share	10 pounds per share
Latest authorized capital	2 billion Egyptian pounds	Latest issued capital	961 482 290 million pounds
Latest paid capital	961 482 290 million pounds	Number and date of registration in the commercial register	No. 117267 dated 18/2/2018
Investor relations managers	Accountants: Mr/ Tarek Farouk Sadek & Mr/ Muhammed Salah El-din Mahseb		
Address of the main center	30 El-mofatsheen street Almaza Heliopolis-Cairo		
Telephone numbers	22901942-22901943	Fax numbers	
website	www.egyptgas.com	E-mail	egyptgas@egyptgas.com.eg

- **General Assembly of Shareholders**
- **Ownership structure**

Holders of 5% or more of the company's s	The ultimate beneficiary	Shares at the date of the financial statements	The ratio %
Natural Gas Holding Company	Natural Gas Holding Company	79,999,999 million shares	83.20 %
Total		79,999,999 million shares	83.20 %

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- **Board of Directors**
- **Formation of the Board of Directors**

The Name	Member characteristic	Number of shares owned	Joining Date	Representation body
Eng/ Wael Ahmed Gowayed	Non-executive	nothing	17/12/2018	Natural Gas Holding Company
Eng/ Ahmed Mahmoud Mohamed Al-sayed	Non-executive	nothing	25/1/2020	Natural Gas Holding Company
Eng/ Hatem Mohamed Abd El-Ghany Hamad	Non-executive	nothing	31/1/2022	Natural Gas Holding Company
Mrs/ Amal Mohamed Hassan Ali Tantawy	Non-executive	nothing	15/5/2022	Natural Gas Holding Company
Eng/ Mohamed Abd El-Fataah Abd El-Aziz khudair	Non-executive	nothing	6/9/2022	Natural Gas Holding Company
Accountant / Nevian Mohsen Ahmed Mohamed Wahba	Non-executive	nothing	17/7/2023	Natural Gas Holding Company

NB :- Accountant/Nevian Mohsen Ahmed Mohamed Wahba was included as a member of the Board of Directors on July 17, 2023.

- **Chairman of the Board of Directors and Managing Director**
- **Functional specializations**

- Putting into effect the basic policies decided by the General Assembly and the Board of Directors, which are contained in the list of policies and the decision to establish the company.

- Supervising all of the company's work and submitting periodic reports about it to the Board of Directors in public assemblies, the Minister of Petroleum, and higher supervisory levels, supported by statistics, data, and maps.

- Approving the functional organization and specifying the responsibilities and tasks of the various jobs so that they are consistent with the conditions and requirements of work in the company.

- Approving production plans submitted by various technical departments.

- Redrawing new policies in cases where managers present new problems that require departure from established policies.

- Ensure that the necessary arrangements are in place to ensure the continued supply of materials and supplies necessary for work.

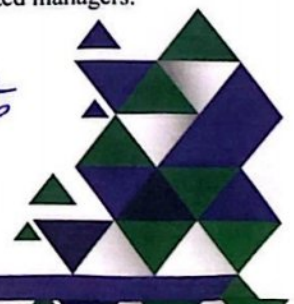
- Determine or approve the company's communications and public relations with governmental and non-governmental agencies and bodies.

- Giving appropriate attention to ongoing research and study with the assistance of specialized managers.

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- Ensure that there is coordination between the various departments and all areas of the company.
- Make appropriate arrangements to develop current department managers for higher positions and develop new administrative cadres to assume current and future jobs.
- Explaining basic policies to subordinates.
- Encouraging research, innovations and studies in all areas of the company's work.
- Considering the proposals submitted by department directors regarding goals and policies and redefining them.
- Reviewing reports submitted by statisticians, experts, or consultants regarding the company's objectives as a whole.
- Ensure that all administrative heads understand the nature and importance of oversight of budgets, tools and oversight standards and use them in their areas of expertise.
- Issuing the decisions, instructions and administrative orders necessary to implement the financial and administrative regulations and personnel affairs.
- He exercises the powers delegated to him in accordance with the company's rules and regulations and their amendments.
- Raising morale and cooperation at the level of administrative heads in particular and in all departments and regions of the company in general.
- Is there a secretary of the board of directors (yes)

- **Board of Directors committees**
- **Formation of committees**

S	The Name	Name of the committee					Member characteristic	Position in the committee	date Joining the committee
		Review	Nominations	Rewards	Risks	Governance			
1	Eng/ Wael Ahmed Gawayed	--	--	--	--	--	Chairman & managing director	--	--
2	Eng/ Ahmed Mahmoud Mohamed Al-sayed	--	--	--	--	--	Board member	--	--
3	Eng/ Hatem Mohamed Abd El-Ghany Hamad	✓	--	--	--	--	Board member	member	15/5/2022
4	Mrs/ Amal Mohamed Hassan Ali Tantawy	✓	--	--	--	--	Board member	President	15/5/2022
5	Eng/ Mohamed Abd El-Fataah Abd El-Aziz khudair	✓	--	--	--	--	Board member	member	6/9/2022
6	Accountant / Nevian Mohsen Ahmed Mohamed Wahba	--	--	--	--	--	Board member	--	--
7	Accountant/Ahmed mohamed Raafat Abu Al-Azm	✓	--	--	--	--	Experienced	member	14/5/2023

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*** Conduct of meetings of the Board of Directors and its committees**

s	The Name	Board of Directors	Review Committee	Nominations Committee	Remuneration Committee	Risk Committee
1	Eng/ Wael Ahmed Gawayed	12 / 12	--	--	--	--
2	Eng/ Ahmed Mahmoud Mohamed Al-sayed	12 / 12	--	--	--	--
3	Eng/ Hatem Mohamed Abd El-Ghany Hamad	12 / 12	4/4	--	--	--
4	Mrs/ Amal Mohamed Hassan Ali Tantawy	12 / 12	4/4	--	--	--
5	Eng/ Mohamed Abd El-Fataah Abd El-Aziz khudair	12 / 12	4/4	--	--	--
6	Accountant / Nevian Mohsen Ahmed Mohamed Wahba	7 / 12	--	--	--	--
7	Accountant/Ahmed mohamed Raafat Abu Al-Azm	--	4/4	--	--	--

Note:-

The accountant, Ahmed Mohamed Raafat, was included in the audit committee (An independent member with proven competence and experience in financial and accounting affairs) on May 14, 2023.

• **Review Committee :-**

The Audit Committee examines and reviews the company's internal control procedures and the extent of compliance with their application, studies the accounting policies followed and the changes resulting from the application of new accounting standards, examines and reviews internal audit mechanisms and tools, procedures, plans and results, studies internal audit reports, follows up on the implementation of its recommendations, and examines the procedures that are followed in preparing and reviewing periodic and annual financial statements. It examines the draft initial financial statements before presenting them to the Board of Directors in preparation for sending them to the auditor. It also studies the auditor's report on the financial statements and discusses the observations contained therein. The committee must verify the company's management's response to the auditor's recommendations and the committee submits a quarterly report for presentation to the Board of Directors.

• **Other committees**

• **Occupational Safety, Health and Environmental Protection Committee**

Senior management sets its obligations towards implementing the occupational safety and health system in the form of a binding, documented and approved policy that confirms the following:

- Commitment to implementing laws, legislation and other requirements applicable to the company's services and activities in the field of environment, safety and occupational health.

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- Identifying and evaluating the risks arising from the company's activities and developing the necessary means to control them with the aim of reducing occupational injuries and diseases, preventing pollution and affecting the surrounding environment by following the best available technological means and safe methods of operation and improving the level of emergency preparedness.
- Spreading awareness and applying life preservation rules in accordance with international codes
- Reducing risks, environmental pollution, and depletion of natural resources resulting from the company's activity and services.
- Studying cases of work injuries and serious accidents and applying and following up the system for reporting accidents and latent risks, which allows the analysis of total or partial losses.
- Continuous improvement of quality, safety, occupational health and environmental systems.
- Constantly striving to know customers' needs and meet them.
- The company has recently expanded in the field of energy conservation and the use of alternative and clean electrical energy generation systems using solar cells and switching to the use of ultra-efficient LED lighting systems in electricity consumption, which resulted in annual savings equivalent to 790 megawatts.

Implementing this system of company policy and setting goals for safety and environmental protection led to the implementation of the requirements of international specifications, according to which the company obtained certificates for the following management systems:

- 1- Occupational safety and health (ISO - 45001)
 - 2- Preserving the environment (ISO - 14001)
 - 3- Energy Efficiency and Conservation (ISO - 50001)
 - 4- Quality Assurance (ISO - 9001)
 - 5- Information Security Management (ISO - 27001)
- **Control environment**
 - **Internal control system**
 - The main objective of internal control is to supervise the development and coordination of internal control programs and supervise their implementation to cover all the work of the company's various departments for the purpose of verifying the adherence and application of the company's policies, regulations and systems and maintaining their confidentiality in accordance with what is prescribed for them and under the scope and supervision of the Chairman of the Board of Directors and the Managing Director.
 - **Internal audit department**
 - **Basic tasks and responsibilities**
 - Supervises the preparation of the annual audit plan covering all the company's activities.
 - Supervises the follow-up of the implementation of all laws, regulations, decisions, administrative orders and publications.
 - It assists company officials in carrying out their responsibilities by submitting suggestions that help increase production and rationalize spending.
 - Supervises the projects, studies and research requested by the administration to ensure implementation of the timetable specified for it.

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- Supervises the study of cost lists and performance evaluation reports and assists in finding solutions.
- Supervises the use of the computer in audit work and in programs for storing and tabulating information.
- Supervises the follow-up of modern scientific developments in the field of work to benefit from every new innovation.
- Supervises maintaining the confidentiality of data and information obtained or revealed through the performance of the audit process
- Supervises the identification of departments' uses of their material and human resources and provides what enables the administration to make good use of those elements in the best possible way.
- Supervises the review of concluded contracts and agreements to which the company is a party to ensure the extent of compliance with the implementation of all listed items.
- Supervises the review of the financial reports and final accounts prepared by the company and ensures their accuracy and their conformity with the rules, regulations, instructions and policies applied by the company.
- Supervises the submission of periodic reports to the company's president, which explain the violations that may occur and the weaknesses in the procedures that can be addressed through documentary review and that cause financial loss to the company.
- Supervises the review of all documents, records and data related to contracting and technical services and ensures their accuracy and proper entry in the books.
- Supervises the review of projects under implementation on which disbursements have been stopped, verifies the reasons for stopping, and follows up on the legal procedures related to that
- Supervises the review of expenses for the implemented projects and their technical materials, and examines cases of actual expenses exceeding the approved amounts.
- Supervises the review of occupational safety, health, and environmental protection activities at all company sites and reviews documents and records of dangerous accidents, work injuries, and evacuation plans in accordance with the company's approved emergency plan.
- Supervises the review of purchase orders for transportation supplies and spare parts, whether by direct order or disbursement from warehouses, reviewing the data recorded in the register of variable costs and fuel consumption rates for each car, discovering and treating negative deviations, and developing positive deviations.

• **Supplementary and auxiliary tasks and responsibilities**

- Ensure that employees under his leadership implement the rules of occupational safety and health and environmental protection.
- Attending meetings and seminars related to the field of work to develop performance and work to solve problems and overcome obstacles in the field of work.
- Attending periodic meetings with all its activities to develop performance according to a specific work program.

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• **Supervisory tasks and responsibilities**

- Supervising all employees in the departments under his leadership, distributing work and tasks among them, and proposing rewards and means of motivation for the employees under his leadership.

• **Auditor**

- Appointment, renewal, and determination of the fees of the company's auditor are made by the company's ordinary general assembly

• **Disclosure and transparency**

• **Material information and financial and non-financial disclosure**

- The company discloses to the Egyptian Stock Exchange the annual and periodic financial statements, the annual and periodic auditors' reports, as well as the Board of Directors' report, accounting policies, estimated budgets, and dividend distributions, as well as disclosing any other fundamental events on the dates specified by the rules for listing and continuing the listing and delisting of securities on the Egyptian Stock Exchange.

- The company discloses to the Egyptian Stock Exchange non-financial information of interest to current and prospective shareholders and investors, including the company's goals and vision, the nature of its activity, the company's plans and future strategy, ownership structures in sister companies, transactions with related parties, and netting contracts.

• **Investor relations**

The company's Investor Relations Department communicates directly with the stock exchange and responds to inquiries from shareholders and investors. It works to comply with all laws, regulations, rules, listing procedures, disclosure requirements and decisions issued by the Authority and the stock exchange. It conveys the market situation to senior management and helps prepare the company's response to questions and inquiries from investors and the media and deals with Rumors that could affect the trading of the company's shares.

• **Disclosure tools**

• **Annual report**

The company prepares the annual report, which includes a summary of the Board of Directors' report and the financial statements, in addition to all other information of interest to shareholders, current and prospective investors, and other stakeholders.

• **Board of Directors report**

- The company prepares a report to the Board of Directors on the company's activity and the results of its annual work based on what Article (39) of the company's bylaws stipulates that the Ordinary General Assembly has the jurisdiction to approve the Board of Directors' report on the company's activity.

• **Disclosure report**

- The company prepares a quarterly disclosure report prepared by the Investor Relations Department.

• **The website**

- The company provides its own website on the international information network.

Chairman & Delegated Member

Eng. Wael Ahmed Gowayed

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Translation of Independent Assurance Report
On Extent of Compliance with Corporate Governance Regulations
Originally Issued in Arabic

Independent Assurance Report
On Extent of Compliance with Corporate Governance Regulations

To: The Board of Directors of Egypt Gas Co. (S.A.E)

To: Financial Regulatory Authority (FRA)

Introduction.

We have tested the Governance Report prepared by the Management of Egypt Gas Co. (S.A.E) for the financial year ended December 31, 2023.

Management's Responsibility

The company's Management is responsible for preparation and presentation of its Governance Report according to the regulations issued by the Financial Regulatory Authority (FRA) and the Egyptian Corporate Governance Code issued by the Egyptian Institute of Directors, and the related laws and decrees, as stipulated in the company's Governance Report. The Management's responsibility extends also to defining the non-compliance points and the justifications thereof.

Independent Auditor's Responsibility

Our responsibility is limited to testing the information stated in the Governance Report and providing a conclusion in light of the tests conducted. We have tested the Governance Report according to the Egyptian Standard for Assurance Tasks no. (3000) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This Standard requires compliance with the Professional Ethics including the Principle of Independency, as well as planning and performing our assurance process to get an Assurance that the Governance Report is free from any material misstatements.

The testing procedures mainly include obtaining evidence through observation and inquiries addressed to the officials in charge of preparing the Governance Report, as well as examining documents when appropriate.

We believe that the evidences we have obtained are sufficient and appropriate to provide a basis for our conclusion.

This report has been prepared for submission to the Financial Regulatory Authority (FRA) based on the mandate of the company's Management, and not for any other purpose. Therefore, it should not be used for any purpose other than that for which it was prepared.

Conclusion

The Corporate Governance Report, referred to above, expresses fairly and clearly in all its material aspects the extent of the company's compliance with the Corporate Governance Rules during the financial year ended December 31, 2023 based on the regulations issued by the Financial Regulatory Authority (FRA) and the Egyptian Corporate Governance Code issued by the Egyptian Institute of Directors, and the related laws and decrees.

Cairo: February 13, 2024

Auditor

Dr. Ahmed Shawki

MAZARS MOSTAFA SHAWKI

