



Corporate Governance Report 2023  
Of GB Corp SAE



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## **LIMITED ASSURANCE REPORT** **OF THE BOARD OF DIRECTORS' REPORT ON THE CORPORATE GOVERNANCE** **RULES FOR GB Corp (S.A.E.)**

**To the Board of Directors GB Corp (S.A.E.)**

### **Introduction**

We were engaged to provide a limited assurance report on the preparation and presentation of the Board of Directors' report on the corporate governance rules for GB Corp (S.A.E) for the year ended December 31, 2023, prepared as per the illustrative guidance referred to in the Egyptian Stock Exchange commission letter to the Board of Directors dated December 25, 2018.

### **Management responsibilities**

The Board of Directors is responsible for preparation and presentation of its report on applying of corporate governance rules as per the illustrative guidance referred to in the Egyptian Stock exchange commission letter to the Board of Directors dated December 25, 2018. The Board of Directors is also responsible of ensuring applying the corporate governance rules as per the illustrative guidance issued by the Financial Regulatory Authority and the Egyptian Guidance for Corporate Governance issued by virtue of the Board of the Financial Regulatory Authority decree No. 84 dated July 26, 2016, the Board of Directors as well is responsible for determination of the non compliance areas and reasons for non compliance.

### **Our Responsibility**

Our responsibility is to report thereon in the form of an independent limited assurance conclusion on the Company's compliance on the preparation and presentation of the Board of Directors report referred to above as per the Board of Directors report's illustrative guidance referred to in the Egyptian Stock Exchange commission letter dated December 25, 2018 based on the procedures we have performed and the evidence obtained. We conducted our engagement in accordance with Egyptian Standard on Assurance Engagements (3000) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" which requires complying with independence and other ethical requirements.

That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance through observation and inquiries to the persons in charge of preparation and presentation of the compliance to the corporate governance rules report and obtaining the supporting documentation when relevant, we believe that the evidence obtained is sufficient and appropriate as the basis for our limited assurance conclusion.



Hazem Hassan

As per the requirements of para (49 - D) of the Standard (3000), our procedures were limited to the precise measurable contents and cannot be extended to the qualitative aspects in terms of operating effectiveness, accuracy and completeness, such as management procedures to comply with corporate governance rules, assessing the performance of the Board of Directors, committees, executive management, violations and resolutions. Accordingly, our responsibility, procedures on the report to provide a limited assurance on the preparation and presentation of the board of directors' report on the corporate governance rules cannot be extended to the assessment of the operating effectiveness of the internal control system, compliance and operating effectiveness of the corporate governance system.

Our report is solely prepared to fulfil the requirements of article No. 40 of the Egyptian Stock Listing and Delisting rules and should not be used for any other purpose or to be distributed to any other parties.

### Conclusion

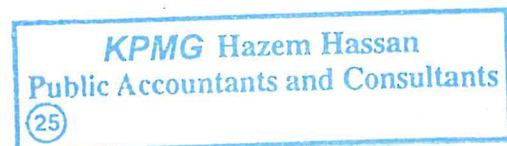
In our opinion, the Board of Directors report on the compliance of the Company to the corporate governance rules referred to above for the year ended December 31, 2023, includes information and presented in all material respects as per the illustrative guidance of Board of Directors report referred to in the Egyptian Stock Exchange commission.

KPMG Hazem Hassan

*K. Samir*

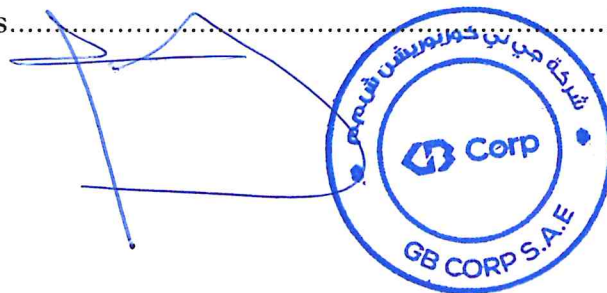
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Cairo Febraury 29, 2024



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### Introduction:

GB Corp SAE seeks to implement and adhere to the governance rules, not only in compliance with laws and regulatory instructions, but also because of the many benefits that governance brings, in addition to developing the investment climate and increasing economic growth in general.

GB Corp SAE also recognizes the necessity of adhering to best practices in governance field, which stems from the importance of applying good governance policies and procedures that GB Corp SAE takes as a general culture, vision and long-term strategy that is applied in a sustainable manner and not Only in the short term. The company also seeks to spread and promote the culture of governance, put these rules into practice, and consider them one of the signs of its success and distinction.

### Basic Company's data:

Company Name	GB Corp SAE		
Company's Activities	Trade, distribution and marketing of all means of transportation, including heavy and semi-transportation, passenger cars, buses, minibuses, microbuses, agricultural tractors, cranes, mechanical machines, construction, earth-moving equipment, and motors of all shapes & types, manufactured locally & imported, new and used ones, trading in their spare parts and supplies manufactured locally & imported, and trading in tires. Means of transportation and equipment of all kinds, locally manufactured and imported, export, and sale of all imported & local products & goods for cash or on credit & financial leasing.		
The specified term of the company	25 years	Date of listing on EGX	July - 2007
The law to which the company is subject	Law 159 of 1981	Par Value	1 EGP
Authorized Capital	5,000,000,000 EGP	Issued Capital	1,085,500,000 EGP
Paid -Up Capital	1,085,500,000 EGP	Number and date of registration in the commercial register	15-7-1999
Contact Person	Sarah Maged/ Marina Abdel Maseeh Kamal		
Headquarter Address	KM 28, Cairo Alexandria Desert Road, Abu Rawash, Giza		
Telephone	(+202) 39100458	Fax	(+202) 35390139
Website	www.gb-corporation.com		
E-Mail Address	<a href="mailto:sarah.maged@gb-corporation.com">sarah.maged@gb-corporation.com</a> / <a href="mailto:marina.kamal@gb-corporation.com">marina.kamal@gb-corporation.com</a> <a href="mailto:ir@gb-corporation.com">ir@gb-corporation.com</a>		

### The basic axes of governance:

Corporate governance is defined as the foundations regulating the relationships between the main parties in the company (Board Members, executive management, shareholders) with the aim of distributing rights and responsibilities among the various relevant participants, achieving transparency, justice and accountability, ensuring the protection of shareholders' rights and other interests, and ensuring that the company is managed in a manner Serves its stakeholders.

Corporate governance is considered an integral part of the culture of GB Corp SAE and its subsidiaries, with the aim of achieving the following:

- **Responsibility:** The company's responsibility to recognize the rights of stakeholders granted by law, and to encourage communication and participation between the company and its stakeholders in creating opportunities, jobs and sustainability.
- **Accountability:** Shareholders have the right to hold organizational management accountable for its performance. This right is guaranteed by the law and the company's bylaws. It also includes the responsibility of the executive management before the board and the responsibility of the board before the shareholders.
- **Justice:** Equality between small and large investors, both local and foreign, the company's articles of association guarantee this principle in terms of equality in voting rights, accountability, nomination, and the right to access information.
- **Transparency:** Openness in the company's operational and investment operations, avoiding ambiguity, secrecy and deception, and making all matters verified and confirmed.

GB Corp SAE is committed to implementing these axes through the following:

#### First: The General Assembly of Shareholders

The General Assembly consists of all the company's shareholders, each according to the percentage of shares he owns. Each shareholder has the right to attend the General Assembly. The company takes the necessary measures that will facilitate shareholders' attendance at the General Assembly meetings. The General Assembly of the shareholders is held no later than three months after the end of the fiscal year. Commitment to the provisions of the law and the company's bylaws related to the procedures and dates set for calling the Ordinary General Assembly and how to manage it. The invitation is published in two daily newspapers.

The General Assembly is managed in a way that allows shareholders to express their opinions in light of what is regulated by the law and the bylaws and in accordance with the Assembly's agenda, so that every topic presented on the agenda of the ordinary or extraordinary General Assembly is accompanied by data and information that enables shareholders to make their decisions properly. It is thoughtful and thoughtful, and all inquiries received from shareholders are answered, whether they were sent before the meeting, to be included in the agenda.

GB Corp SAE shall fully and adequately disclose everything included in the Assembly's agenda, including topics, decisions taken, and all essential events, as well as publish the minutes of the General Assembly meeting on the company's website. The company is also committed to providing the FRA and the EGX with the decisions The ordinary and extraordinary general assembly

immediately after its conclusion and at the latest before the start of the first trading session following the end of the meeting in order to ensure that information is made available to all in a fair manner.

**Ownership structure:**

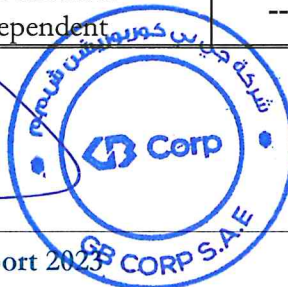
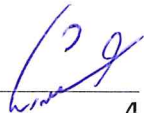
Owners up to 5% of company's shares	The Ultimate beneficiary	Number of shares at the date of the financial statements	The ratio %
RG INVESTMENTS S A R L	RG INVESTMENTS S A R L	639,546,161	58.917%
El Olayan Saudi Investment Company	El Olayan Saudi Investment Company	55,348,029	5.099%
The Miri Strategic Emerging Markets Fund LP	The Miri Strategic Emerging Markets Fund LP	54,817,750	5.05%
<b>Total</b>		<b>749,711,940</b>	<b>69.066%</b>

**Second: Board of Director**

**Board of Director Composition**

The company is managed in accordance with the bylaws by a board composed of at least 3 (three) members and a maximum of 11 (eleven) members appointed by the General Assembly. All board members have the experience and knowledge necessary to perform their duties effectively and efficiently to achieve the interest of the company, its shareholders and customers, also have full knowledge of their role. The supervisory board and their role in establishing governance rules. The current composition of the board of directors consists of seven members as follows: -

	Member	Member status (executive/non-executive/independent)	#of owned shares	Joining Date	Representation
1	Mohamad Naguib Ibrahim	Chairman- Non- Executive	-----	24-3-2019	
2	Nader Raouf Kamal Ghabbour	Managing Director- Executive	720,820	28-3-2012	
3	Mansour Mohamad Hisham Kabbani	Board Member- Non- Executive	3,841,609	19-4-2017	
4	Abbas Hassan Abbas Al-Sayed	Board Member-Executive	-----	24-3-2019	
5	Mounir Amin Fakhry Abdel Nour	Board Member- Independent	-----	2-4-2016	
6	Lobna Abdel Hadi Mohamad El Desouki	Board Member- Independent	-----	26-3-2020	
7	Marwa Moustafa Kamel Mohamad El Azab El Ayouti	Board Member- Independent	-----	24-3-2022	

**Roles and responsibilities of the Board of Directors:**

The Board of Directors is the main administrative entity of the company, and GB Corp SAE is managed by an effective Board of Directors to manage its affairs based on the mandate issued to it by the General Assembly. The Board is responsible for managing the company in the optimal manner, with the aim of maximizing the value of shareholders' investments and achieving the targeted results. For the business plan and to preserve the rights of customers and the rights of all interested parties, the board of directors presents the annual report of the board of directors on the business results for the ending fiscal year to the Ordinary General Assembly within the following three months from the year end.

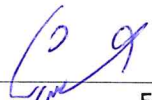
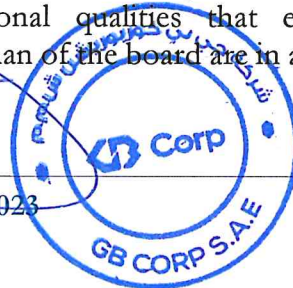
The basic aspects of the roles and responsibilities of the Board of Directors can be defined as follows: -

- Establishing mechanisms and systems that ensure the compliance of all company employees with the company's laws, charters and internal policies.
- Setting the company's values and standards and ensuring the fulfillment of obligations towards shareholders and other related parties.
- Setting a plan for the succession of authority within the company for senior administrative positions as well as members of the Board of Directors to ensure the sustainability of the company and the effective conduct of its business.
- Providing an effective control system for internal Audit with the aim of assessing risks and dealing with them, in addition to creating an appropriate framework for risk management.
- Submitting financial reports to shareholders regarding the company's activity and business.
- 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 the company's compliance.
- Ensuring the application of governance principles in accordance with the company's activities and business, its position in the market and other relevant economic factors.
- The Board is keen to ensure that sufficient and timely information is available to all board members to enable them to carry out their duties efficiently and effectively.
- Appointing a secretary to the Board of Directors who has experience and understanding of all the company's work. The Board can also create an organizational unit for the secretariat according to the size and needs of the company.
- Determine the powers delegated to one of its members, committees, or others, determine the duration of the delegation, the periodicity of the reports it obtains from the committees and the executive management, and follow up on the results of exercising those delegated powers.

**Chairman of the Board:**

The Chairman of the Board is responsible for the good performance of the board in general and for guiding and directing the board and ensuring the effectiveness performance. He also possesses the required experience, competencies and personal qualities that enable him to fulfill his responsibilities. The responsibilities of the chairman of the board are in accordance with the powers entrusted to him as follows:

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- Inviting the Board of Directors to convene, setting its agenda, and managing its sessions.
- Inviting the ordinary and extraordinary general assembly to convene to consider the agenda presented by the Board of Directors
- Ensuring that decisions are made 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 implementation of those decisions in a timely manner.
- Receiving reports and recommendations from all committees and presenting them to the board on a periodic basis to take the necessary action regarding them.
- Ensuring the Board's commitment to fully carrying out its duties in the best practice 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.

### **Managing Director or CEO:**

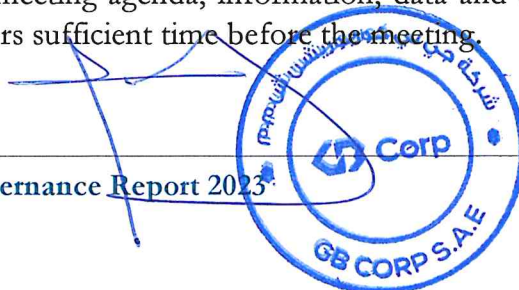
The Managing Director or CEO is at the top of the company's executive management, his duties and responsibilities are in accordance with the powers granted to him by the board as follows:

- Implementing the company's strategy and annual plan developed and approved by the board of directors.
- Heading the executive work of the company and managing its daily affairs, supervising the progress of work in all departments and divisions, following up the performance of all activities, and making whatever decisions he deems appropriate to ensure regular work and achieve goals.
- Working to implement all the company's internal policies, regulations and systems approved by the board of directors.
- Supervising the preparation of periodic financial and non-financial reports on the company's business results and evaluating its performance, as well as the corporate 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 authority relay mechanisms adopted by the Council to ensure employee loyalty and maximize the company's value.
- Determine the competencies and responsibilities of all employees of the company in accordance with the applicable work regulations and the board of directors' decisions.

### **Secretary of the Board of Directors**

Mr. Rafik Ramzi Attia, Secretary of the board, whose role is not only limited to recording the minutes of meetings but goes beyond that to form a continuous bond between the members of the Council and the company's management. He is also a source of information they request and the Board of Directors grants him the necessary powers to carry out his work efficiently. Among his duties are the following: -

- Preparing and managing the logistics of the board and committee meetings, assisting the Board President in preparing the meeting agenda, information, data and details on these topics and sending them to the members sufficient time before the meeting.



- Assisting the Chairman of the Board in setting up and preparing for the General Assembly meetings of shareholders and managing its logistics.
- Adopting the dissemination of understanding of governance principles among members of the Board of Directors, senior leadership, and all employees of the company in a way that does not conflict with the role of other concerned departments in the company.
- Follow up on the issuance and implementation of Board of Directors decisions and inform the concerned departments of them, as well as prepare follow-up reports on what was done regarding them.
- Preserving and documenting everything related to the board's decisions and the issues presented to it, while ensuring that the board obtains important information in a timely manner.
- Coordination with all board committees to ensure effective communication between committees and the board.
- Coordination with the relevant committees within the framework of providing the necessary information to support the Chairman of the board in the process of evaluating board members and committee members, and the proposals that the board presents to the General Assembly regarding the selection or replacement of a member.
- Ensure that board members are aware of the most important supervisory or legal responsibilities that may arise as a result of developments in the company's activities or in the legal framework to which they are subject, within the limits of their responsibilities and without conflicting with the role of the departments concerned with these issues.
- Providing the necessary information about the company to new members and presenting it to the rest of the members.

### Third: Board of Directors committees

#### Committees Composition

In implementation to the governance rules and to achieve the strategic objectives of the company, the company's board of directors has formed a number of committees emanating from the board to support and assist it in implementing its responsibilities and tasks assigned to it, in accordance with a work regulation approved by the board, which includes specifying the tasks of the committee, the duration of its work, the powers granted to it during this period, and how the board monitors it and its financial treatment, and the committees present their reports and recommendations to the board to take the necessary decisions.

Taking into account that the committees do not take decisions on behalf of the board and their role is limited only to submitting recommendations to the board to take appropriate decisions regarding them, the board follows up the work of the committees periodically to verify that they are carrying out the work assigned to them and is responsible for the performance of those committees and the performance of the company as a whole.

The annual report and the company's website also include a brief overview of the formation of each committee and the number of its meetings during the year.

**The following table shows the committees composition emanating from the company's Board of Directors:**

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	Member's Name	Committee			Member status (non-executive /independent)	Position on the committee	Joining Date
		Audit	Remuneration	Governance			
1	Lobna Abdel Hadi Mohamed El Desouki	✓	✓	✓	Independent	Head	26-3-2020
2	Mounir Amin Fakhry Abdel Nour	✓	✓	✓	Independent	Head	2-4-2024
3	Lobna Abdel Hadi Mohamed El Desouki	✓	✓	✓	Independent	Head	25-5-2023

**Conduct of Board of Directors meetings and its committees**  
**Schedule for monitoring the attendance of Council members at Council meetings,**  
**committees, and general assembly's meetings year 2023**

	Member	Board of Directors	Audit. Com	Rem Com	Gov Com	OGAM	EOGAM
1	Mohamed Naguib Ibrahim	4/4	7/7	1/1	2/2	1/1	1/1
2	Nader Raouf Kamal Ghabbour	4/4	-/-	-/-	-/-	1/1	1/1
3	Mansour Mohamed Hisham Kabbani	4/4	3/7	1/1	1/2	0/1	0/1
4	Abbas Hassan Abbas El Sayed	4/4	-/-	-/-	-/-	1/1	1/1
5	Mounir Amin Fakhry Abdel Nour	4/4	7/7	1/1	2/2	1/1	1/1
6	Lobna Abdel Hadi Mohamed El Desouki	4/4	7/7	1/1	2/2	0/1	0/1
7	Marwa Mostafa Kamel Mohamed El Azab El Ayouti	4/4	-/-	-/-	-/-	0/1	0/1

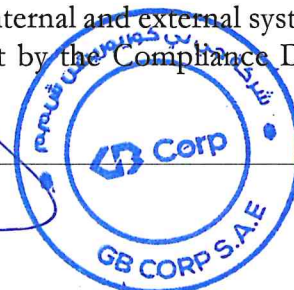
**Audit Committee:**

The Audit Committee is formed of three non-executive and independent board members, with the need to have sufficient experience and knowledge of financial topics and the areas and standards of auditing and accounting, Committee meetings held every three months during the year.

**The various tasks carried out by the Audit Committee:**

- Study the company's internal control system and prepare a written report on its opinion and recommendations regarding it.
- Studying the financial statements before presenting them to the board of directors and giving its opinion and recommendations regarding it.
- Study the accounting policies used and express its opinion and recommendations regarding it.
- Reviewing the auditor's audit plan and making comments on it.
- Ensuring the company's commitment to following internal and external systems, regulations and laws in accordance with the reports submitted to it by the Compliance Department or other concerned departments.

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- Discussing and approving the annual plan for the internal audit department, monitoring its efficiency, and ensuring that it includes all departments and activities of the company.
- Study the observations or violations received from the regulatory authorities and follow up on what was done regarding it.
- Recommending to the board of directors to appoint one or more auditors for the company, as well as their qualifications, competence and independence. The decision to appoint them and determine their fees is within the jurisdiction of the company's ordinary general assembly.
- Studying the auditor's observations and recommendations on the financial statements and those contained in the management letter received from the auditor and following up on what was done regarding it.
- Study and evaluate security systems, information and data, and how to protect them from any internal or external intrusions.
- Implementing and following up on any other work assigned by the board.

The recommendations reached by the Audit Committee during its meetings in year 2023:

- 1- Activating the principle of separation of functional competencies to achieve the absence of any conflict of interest in a way that guarantees the objectivity and independence of the work carried out by each employee.
- 2- Establishing and developing the governing policies and procedures regulating the work and activities of each department.
- 3- Activating the principle of automation in performing, monitoring and reporting on all activities and operations of each department by relying on strong information systems that help in decision-making.
- 4- Increasing the efficiency and effectiveness of the system of control over customer accounts as well as debit balances.
- 5- Raising the efficiency and effectiveness of the credit management control system, including the procedures governing credit granting as well as the procedures governing credit follow-up and collection.
- 6- Adopting more effective professional security and safety systems by re-evaluating and developing the current systems and comparing them with both the Egyptian and international codes.

Remuneration Committee:

The remuneration committee is formed from non-executive and independent members of the board of directors. It specializes in matters related to the company's human resources and proposes clear policies for the rewards and benefits of members of the board, committee and senior executives of the company. These policies are reviewed annually after conducting the necessary studies and investigations regarding compensation packages. The committee is held at least once a year and its report is presented to the board.

Governance Committee:

The Governance Committee is formed from non-executive and independent members of the Board of Directors and is responsible for the following:

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- Periodically evaluating the company's governance system and formulating guides, charters, and internal policies on how to apply governance rules within the company.
- Preparing an annual report on the company's compliance with corporate governance rules, while establishing appropriate procedures to complete the implementation of those rules.
- Reviewing the company's annual report and the Board of Directors' report, especially regarding disclosure items and other items related to corporate governance.
- Saving, documenting, and following up on reports to evaluate the board'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 was done regarding them.

#### Fourth: The regulatory environment

- **Regulatory environment system:**

The company's Board of Directors is the body responsible for the company's internal control system, reviewing it annually and ensuring its effectiveness, by adopting responsibilities and governance structures that will effectively achieve internal control tasks and ensure the efficiency and continuity of the company's internal control aspects. The Audit Committee evaluates the company's internal control system in a comprehensive manner periodically and submit recommendations to the board of directors regarding it.

The following present the most important objectives of the internal control system of GB Corp SAE: -

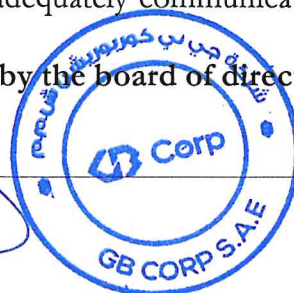
- Complete separation of the responsibilities and powers of all company employees.
- Ensuring the accuracy and quality of information, so that it provides the company or others with correct and accurate information.
- Protecting the company's physical assets from the dangers to which they may be exposed, and documenting and recording those assets in the company's records.
- Increasing the company's production efficiency and achieving its goals at the lowest costs and with the same quality.
- Ensuring the accuracy of the execution of instructions, with the aim of ensuring that all instructions are executed as they should.
- Ensuring the application of governance rules, through careful implementation of various governance instructions and rules.

#### Evaluating the adequacy and efficiency of the company's internal control system:

- **Board level metrics:** by applying quantitative key performance metrics e.g. Annual Audit, annual audit per employee, % of time spent on audit against estimated budget.
- **Top management level Metrics:** by obtaining management's views on the performance of internal control, for example, does internal control understand the nature of activities and operations? Does internal control have the necessary skills and experience to provide value-added advice to the business? Were audit findings adequately communicated to management? Were the audit recommendations practical?

The efficiency of the control system is reviewed by the board of directors on an ongoing basis.

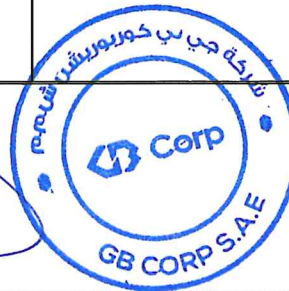
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• **Internal Audit Department:**

The company's internal audit activity is an independent and objective activity, the role and scope of work of the internal audit department is as follows:

Roles of audit department	Scope of work	Is it a permanent department in the company or an external audit company?	Name of the internal audit official/or external audit Company	Periodic Reports
<p>Assess risk exposure in relation to achieving the organization's strategic objectives.</p> <p>Evaluate the reliability and integrity of information and the means used to identify, measure, classify and report this information.</p> <p>Assess means of protecting assets and, where appropriate, verify the existence of such assets.</p> <p>Evaluate the effectiveness and efficiency with which resources are used.</p> <p>Evaluate processes or programs to check whether results are consistent with established goals and objectives and whether Operations or programs are being implemented as planned</p> <p>Monitoring and evaluating governance processes.</p> <p>Evaluating the performance of external auditors and the degree of coordination with internal audit.</p> <p>Perform advisory services related to governance, risk management and control as appropriate for the organization.</p> <p>Providing periodic reports on the purpose, authority, responsibility and performance of the internal audit activity in relation to its plan.</p> <p>Significant risk communication about risks and control issues, including fraud risks and fraud issues quantity and other matters requested by the board.</p> <p>Evaluate specific operations at the request of the board or management, as appropriate.</p>	<p>The internal audit scope of work extends to reviewing and evaluating all operations and activities of the facility. It includes financial auditing, administrative auditing, and systems auditing, and may examine some technical and engineering aspects.</p>	<p>The company's internal audit department is a permanent department</p>	<p>Ms. Odette Gamil Zaki</p>	<p>Monthly/ quarterly/ semi-annually/ annually</p>



**Risk Department:**

The company does not have an independent risk department, but the company has an implicit risk department in each department.

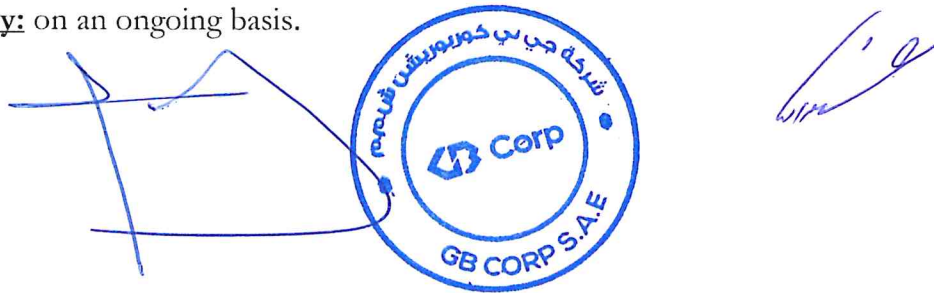
**Implied responsibilities for risk management:**

1. Develop a comprehensive current and future strategy regarding the type and level of acceptable risks for all the company's activities and approve it from the board of directors, and work to review and develop it periodically in light of the surrounding influences and variables at the local, regional and international levels.
2. Develop risk management policies in the company and have them approved by the Board, commensurate with the status and specificity of the company, the size and diversity of its activities, and the nature of the risks it faces in accordance with the strategies approved by the Board, while setting upper ceilings for risk exposure.
3. Preparing the appropriate risk structure for the company's activities, setting proposed ceilings for these risks, and approving them from the executive management and the Board.
4. Develop, implement and develop appropriate systems and procedures to manage the risks to which the company is exposed, in line with the strategies, policies, type and limits of risks approved by the Board.
5. Procedures followed in assessing the risks associated with and potential deficiencies in internal controls, the risk environment, and methods for managing these risks, when approving new products or significant changes to existing products, introducing new lines of business, entering new markets, or carrying out mergers or acquisitions.

**Methodology for dealing with different risks**

After defining the types of risks, a maximum limit, an average limit, and a minimum limit are determined for each risk separately, and the conditions for each limit are determined. If they are met, the risk is classified into high/medium/low risk, and procedures are developed to deal with each level of risk for each risk individually, in cooperation. between the operations department / financial department / Information systems department and the internal audit department, the risks were divided into four main risks, which are strategic risks, operations risks, financial risks, as well as market risks. The risks were also divided into four sub-risks, which are liquidity risk, information technology risk, and reputation risk, as well as Risk of non-compliance.

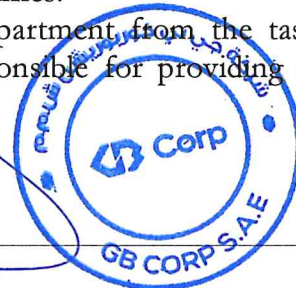
**Report periodicity:** on an ongoing basis.



**Compliance Department:**

The compliance officer or internal observer is considered an independent position in the company that monitors and prepares reports on the risks of non-compliance with laws, systems and regulatory instructions issued by various authorities. Among the most prominent responsibilities of this department during the year 2023 are:

1. Approving the policy to ensure compliance, in addition to establishing appropriate mechanisms to report any violations in a timely manner and holding those responsible accountable, conducting an annual review of this policy and procedures and ensuring that internal audit tasks include reviewing the activities of the director of the compliance department.
2. On an annual basis, ensure that the responsibilities of the compliance management function are defined and clear, including its position in the organizational structure and its relationship with the rest of the departments and functions in a way that ensures it the necessary independence and effectiveness, providing sufficient resources and quick and clear channels for submitting reports to the board and executive management and providing them with the necessary powers. to access information within the framework of a clear and adequate policy and procedures guide.
3. Ensure that the company adheres to all laws, instructions and regulations.
4. On an annual basis, ensure that the compliance department procedures manual includes, but is not limited to the following:
  - A. Evaluate violations associated with the company's activities and any new products.
  - B. Providing advice to management on laws, instructions and standards and keeping management informed on a daily basis about the latest developments in applicable laws, instructions and standards.
  - C. Providing written instructions to employees regarding the appropriate application of applicable laws, instructions and standards if it deems this appropriate.
  - D. Evaluating the suitability of internal procedures and directives to laws and instructions, revealing any deficiencies in policies and procedures, formulating proposals to improve them, or issuing instructions and directives in this regard.
  - E. Conduct a permanent and comprehensive examination, submit reports, and continuously issue directives to the executive management regarding observations and violations related to compliance to take the necessary corrective measures.
  - F. Reviewing the reports submitted to it on the extent of executive management's compliance with laws, instructions and standards, as well as the violations and deficiencies that were discovered and the corrective measures that were taken, in addition to information about the compliance training that was provided to employees, and submitting any recommendations or directives that it may deem appropriate in this regard.
  - G. Monitoring the work of the compliance department as an inquiry center for company employees to answer compliance-related inquiries.
  - H. Separating the tasks of the compliance department from the tasks of the legal affairs department in the company, which is responsible for providing advice to management regarding the laws.





### Governance Department

The Governance Department aims to help consolidate and establish governance principles, follow up on their application and increase their effectiveness, it's reporting subordinate to the governance committee.

#### Responsibilities and tasks of the Governance Department during 2023

- Monitoring the availability of the basic principles and elements that help develop and improve the company's performance in a way that contributes to achieving the strategic goals set by the Board.
- Monitoring the application of the principle of disclosure, transparency, and governance culture in all of the company's work and activities.
- Improving and developing the general framework and work principles of the company through the company's charter of professional conduct, while defining its social responsibility towards employees and society as a whole.
- Monitoring the application of the conflict-of-interest policy to all company employees.
- Applying the concept of transparency, clarity and fairness in dealing with all shareholders.
- Clarity of relationships between the Board of Directors and stakeholders.
- Developing internal governance guides for the company and formulating various internal policies that regulate the relationship between all employees, as well as contributing to preparing the report on the extent of the company's commitment to corporate governance.

### The External Auditor

The company appoints an auditor for the company who meets the conditions stipulated in the Law for practicing the profession of accounting and auditing. The general assembly, based on a nomination from the board of directors and after the recommendation of the audit committee, appoints an auditor who is completely independent from the company and the members of the board. The decision to appoint him and estimate his fees shall be made through the ordinary general assembly of the company.

### Disclosure and Transparency

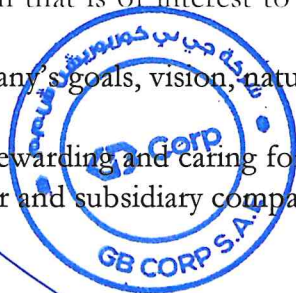
#### **Material information and financial and non-financial disclosure**

The company carries out the disclosure process by notifying the Egyptian Stock Exchange on the electronic disclosure system and sending an e-mail to the disclosure department, which is uploaded and disclosed on the website regarding the company's financial information that is of interest to shareholders and stakeholders, such as its annual and periodic financial statements and the auditor's annual and periodic reports, as well as a report. Board of Directors, accounting policies, discretionary budgets, asset valuation methods, and dividends.

As well as the company's non-financial information that is of interest to current and prospective shareholders and investors, including:

- Internal information that includes the company's goals, vision, nature of its activity, and the company's plans and future strategy.
- Systems for raising competencies, training, rewarding and caring for its employees.
- Ownership structures in the company's sister and subsidiary companies.

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- Transactions with related parties and netting contracts.
- The most important risks that you may face and ways to confront them.
- Disclosure to its shareholders and to regulatory authorities about treasury shares.
- Violations and rulings issued against the company during the year (none).

### **Investors Relation:**

The company is keen to have an investor relations function as one of the main activities that aim to stimulate and consolidate the relationship with current and prospective investors, and open channels of communication with those involved in the financial and investment market. the most prominent things that the investor relations officer did during year 2023 is as follows:

- Develop a strategy for the investor relations program by understanding the market and company requirements.
- Participating in developing the company's disclosure policy and having it approved by the Board of Directors
- Maintaining current investors and attracting new investors by educating the market about the company's business, hypothesizing its future growth, and identifying the factors that affect its profitability.
- Communicating with analysts, investors, and media representatives and providing information to reduce rumors and surprises that lead to fluctuations in trading prices and volumes.
- Communicating with investors through various communication tools such as the company's website and social networking sites and participating in preparing the annual report of interest to current and prospective investors.
- Preparing the disclosure report required from the company and preparing the investor relations pages on the company's website and updating them on an ongoing basis.

### **Disclosure Tools**

#### ➤ The Annual Report

The company issues an annual report in English that 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's Board of Directors issues an annual report on the consolidated and independent financial position in accordance with the provisions of Companies Law No. 159 of 1981 and its executive regulations, for presentation to the General Assembly of shareholders and regulatory authorities.

#### ➤ The Disclosure Report

The company issues a quarterly financial disclosure report prepared by the company's management with the assistance of its Investor Relations Department.



➤ The Sustainability Report

The company issues a balanced report on sustainability, which includes the company's achievements in the economic, environmental and social fields.

\*Attached is the annual disclosure report on the financial disclosure practices related to climate change (TCFD) and the annual report on the disclosure of environmental, societal, and governance practices related to sustainability (ESG), in implementation of the Commission's decisions No. (107) and (108) of 2021.

➤ The Website

The website availability of the company on the international information network in Arabic and English, through which financial and non-financial information is disclosed in a user-friendly manner.

### Charters and Policies

#### Charter of ethics and professional conduct

GB Corp SAE is keen to adhere to the application of the policy of the list of values and work behaviors to all the company's entities in terms of integrity, teamwork, individual respect, the spirit of innovation, professional and ethical behavior, honesty, development and concern for customer satisfaction and other values that It is the cornerstone of making the right decisions and managing effectively and successfully.

To achieve this end, the company has established various communication channels for employees to ask questions, give suggestions, and report any practices that violate the rules of ethical conduct or any illegal acts.

#### Power relay policy (Succession Planning)

The company focuses its recruitment activities on strategic talent acquisition for the purpose of attracting personnel who can support and achieve the company's various expansion plans.

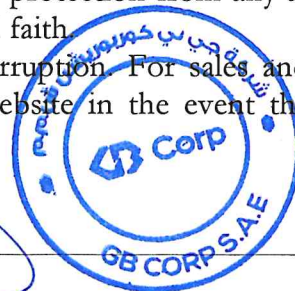
We always strive to keep our selection process equal opportunity and fair for all applicants; Since the main pillar of GB Auto's recruitment policies is to evaluate all applicants without any reference to their age, race, gender, religion or other individual characteristics, and this is based solely on qualifications and competencies to ensure demographic diversity in our company. The company also identifies all talents, after passing a specific evaluation process, and the influential jobs in each business unit to prepare a new generation of future leaders.

#### Whistleblowing Policy

GB Corp SAE follows the highest possible standards of professional, ethical and legal conduct. In line with the company's commitment to this, these rules were designed to represent a way for employees to provide credible information about illegal practices or violations of the approved policies of the group, while ensuring that the necessary protection from any acts of retaliation or harm is provided to those who report violations in good faith.

Note that there is a designated form for reporting corruption. For sales and after-sales service complaints on the complaints page on the group's website in the event that you encounter a whistleblower.

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**Policy for dealing with internal parties, related parties, and related parties.**

The company is keen to have this policy, which aims to control the internal trading operations of the company's shares, regulate relations with related parties, and conclude compensation contracts in accordance with the rules of the regulatory authorities, this model is used to track these processes:

Table for following up on insiders' transactions in the company's shares:

	Member's Name	#of shares owned at the beginning of the year	Shares purchased during the year by date (added)	Shares sold during the year by date (deducted)	Stock balance at the end of the year
1					
2					
3					

**Social and environmental responsibility policy**

The company follows a clear policy towards social and environmental responsibility and its continued commitment to contributing to economic and societal development through the institution it established for this purpose, the Ghabbour Development Foundation, which aims to create a qualitative shift in the quality of technical education in Egypt by bridging the gap between the skill level of school graduates. Technical education and labor market requirements in accordance with employment standards in various companies and industrial institutions in Egypt and the company's belief that its role in community development is no less important than its economic role.

GB Corp SAE  
CEO  
Mr. Nader Ghabbour



