



## **Corporate Governance Report**

For the Fiscal Year Ending on 31 December, 2023

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**Fawry for Banking Technology and Electronic Payment S.A.E.**  
**Corporate Governance Report**  
**31 December 2023**

**1) Company information**

Company Name	Fawry for Banking Technology and Electronic Payment S.A.E		
Company Purpose	The purpose of the company is: 1) to provide specialized operating services for information and communications technology systems, 2) management, operation and maintenance of computer equipment and networks, internal systems for banks, networks and central computers, 3) and the development of online and phone-based banking services operating systems, in addition to the provision of electronic payment services, the circulation of electronically secured documents, and real estate rental services, taking into account the provisions of the laws, regulations and decisions in force, provided that all necessary licenses are issued to practice these activities. The company may have an interest or participate in any way with companies and others that conduct similar activities or that may assist the company in achieving its purpose in Egypt or abroad. It may also merge with, purchase, or join these entities, in accordance with the provisions of the law and its executive regulations.		
Company Term	25 years from the date of registration in the commercial registry.	Date of stock exchange listing	22/7/2019
Relevant law	No. 159 for 1981	Nominal value per share	0.50 EGP
Last authorized capital	3,000,000,000 EGP	Last issued capital	1,703,261,622 EGP
Last paid capital	1,703,261,622 EGP	Number and date of commercial registration	Commercial registration No. 1333 6 <sup>th</sup> of October Investment dated 26/6/2008
Contact person	Mostafa Mohamed Mohamed Ibrahim		
Headquarters	Building 221-F12, Smart Village		
Phone numbers	02 35371171	Fax numbers	02 3537117
Website	www.fawry.com		
Email	investor.Relations@Fawry.com		



## **2) General Assembly of Shareholders**

The Company's Ordinary and extraordinary General Assemblies are held in the city where the company is headquartered to consider:

- Approval of the Board of Directors' report on the company's activities and results of its activities For the Fiscal year.
- Approval of the company's auditor's report on the company's annual financial statements.
- Approval of the company's financial statements for the fiscal year.
- Absolving the members of the Board of Directors from liability for the fiscal year.
- Approval of the amendments and changes made to the Board of Directors during the year.
- Approval of the attendance and transfer allowances for members of the Board of Directors and Board committees for the fiscal year, appointment of the company's auditor for the fiscal year and the determination of his/her fees.
- Adoption of the limits of donations during the fiscal year.
- Election of the members of the Board of Directors in the event of the expiry of the Board's term.
- Consideration of the company's conclusion of related-party contracts.
- Consideration of any other issues that the Board of Directors may consider to be presented to the General Assembly.

Additionally, Board committee heads attend General Assembly meetings, as the principles of good governance stipulate that the company's General Assembly meeting is attended by the Chairman and members of the Board of Directors in addition to committee heads.

The company's General Assembly consists of the company's shareholders, each according to the percentage of his/her shares. Shareholders are urged to attend the company's General Assembly meeting, and to arrange the date and place of the meeting in a way that facilitates and encourages them to attend.

Measures have been taken to amend the method of electing the Board of Directors by proportional representation and cumulative voting, as of the date of the Extraordinary Assembly on 28/03/2019.

The General Assembly meetings are managed in a way that allows the shareholders to express their opinions, and the company's management makes full and sufficient disclosure of all the topics included in the assembly's agenda.



### Ownership Structure:(December 31,2023)

Holders of 5% or more of the company's shares	Final beneficiary	Number of shares on the date of the financial statements	Percentage
Alpha Oryx Limited	Alpha Oryx Limited	416,728,062	12.23%
Banque Misr	Banque Misr	331,942,520	9.74%
Egyptian American Enterprise Fund	Egyptian American Enterprise Fund	289,002,353	8.48%
Link Hold Co BV	Link Hold Co BV	270,344,629	7.93%
National Bank of Egypt	National Bank of Egypt	206,225,843	6.05%
Black Sparrow Long Term Investments Ltd	Black Sparrow Long Term Investments Ltd	188,640,077	5.53%
Total		1,702,883,484	49.98%

### 3) Board of Directors

Fawry For Banking Technology and Electronic Payment is headed by a board of directors, the majority of which are non-executives, with a varied array of expertise, skills and qualifications in finance and legal to manage and run the company's affairs efficiently, and to achieve the company and its shareholders objectives.

The company's Board of Directors is comprised in accordance with the decision of the General Assembly dated 21/11/2021 and for a period of 3 years.

- On 20/7/2022, the ordinary general assembly of the company approved the appointment of two new members.
- On 6/3/2023, the resignation submitted by Link Hold Co BV From the Company's board of directors and the withdrawal of its representative Mr. Babatunde Soyoye.
- On 17/5/2023, the resignation submitted by Black Sparrow Ling Term From the Company's Board of Directors and the withdrawal of its representative Mr. Hedi Ben Mlouka.
- On 17/5/2023, the appointment of Mr. Volodymyr Tsapko as a representative of Responsibility Partnerships AG in the Board of Directors of the company instead of Mr. Michael Fiebig.
- On 12/4/2023, the ordinary general assembly of the company approved the appointment of Mrs. Rafi Aziz Qasim as a Member of the Board of Directors.

### Composition of the board of directors on December 31, 2023

	Member name	Title (executive/non-executive/independent)	Number of shares	Date of joining	Representing
1	Seif Allah Coutry Saady Hassan Coutry	Non-executive Member	-	26/06/2008	Chairman of the Board of Directors – Representing Himself
2	Ashraf Kamel Moussa Sabry	Executive Member	74,912,691	26/06/2008	Managing Director and CEO – Representing Himself



3	Ashraf Mahmoud Abbas Zaki	Non-executive Member	289,002,353	2015	Egyptian American Enterprise Fund
4	Volodymyr Tsapko	Non-executive Member	161,408,519	2023	Responsability Participations AG
5	Shehab Ezzat Abdelrahman Zidan	Non-executive Member	331,942,520	2019	Banque Misr
6	Sherif Hussein Safwat Mohamed Tolba	Non-executive Member	206,225,843	2019	Representing National Bank of Egypt
7	Magda Raafat Gendy Habib	Non-executive/ non-independent	7,904,105	2019	Representing herself
8	Hussein Hassan Choukri	Non-executive/ independent	None	2019	Representing Himself
9	Moataz Mohamed Hashem Tabaa	Non-executive/ independent	None	2019	Representing Himself
10	Aziz Moolji	Non-executive	416,728,062	2022	Alpha Oryx Limited
11	Ahmed Al Tanani	Non-executive	416,728,062	2022	Alpha Oryx Limited
12	Rafi Aziz Qasim	Non-executive/ independent	None	2023	Representing herself

### **Role and responsibilities of the board of directors**

The company's Board of Directors manages its affairs based on the mandate issued by the General Assembly and is held accountable for the company's management by the General Assembly of shareholders.

Based on international experiences and best practices in applying corporate governance rules, the positions of the Chairman and Managing Director are separated, enabling the objective evaluation of the executive management's performance, after separating the supervisory and executive Functions.

The Board sets the company's strategic objectives, approves the general plans and policies that determine its workflow, monitors the performance of the executive management, ensures the effectiveness of the internal control system and manages the company's risks, determines the best method for applying governance, and adopts professional policies and standards to be followed by employees, reflecting on their performance and behavior.

Board and committee meetings are held by means of modern communication such as conference call or video conference, as of the Extraordinary General Assembly on 06/11/2019.

### **The most significant responsibilities and tasks of the board of directors**

- Establishing mechanisms and systems that ensure compliance by all company employees with the company's internal laws, charters, and policies, setting up an early warning system to detect any defect or deviation that may occur, and ensuring that appropriate



timely action is taken. This system must include ways to protect sources of information and whistleblowers of corruption and deviation.

- Developing a succession plan within the company for the higher-level executive positions and members of the Board of Directors to ensure the sustainability of the company and the effective conduct of its business.
- Determining the powers that it delegates to members, committees, or others and specifying the mandate period and the frequency of reports it receives from committees and executive management, in addition to following up on the outcomes of the delegated tasks.
- Establishing preventive measures, tools, and mechanisms that secure the flow of information, control the accuracy and integrity of data within the company, and protect it from manipulation and penetration, whether from within or outside the company, such as securing the use of the Internet and mobile devices against intrusions 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, and ensuring the independence of each internal audit activity.
- Appointing a competent secretary to the Board of Directors with understanding of all the company's business. The Board can establish an organizational unit for the secretariat in accordance with the company's size and needs.

### **Responsibilities of the Board Chairman**

- Inviting the Board of Directors to convene, setting its agenda and managing its sessions.
- Inviting the Ordinary General Assembly and Extraordinary General Assembly to convene to consider the agenda of the Board of Directors.
- Ensuring the availability of accurate and sufficient information in a timely manner to the members of the Board and the shareholders.
- Ensuring that sound decisions are taken based on comprehensive knowledge of the issues, with the need to ensure that an appropriate mechanism is in place to ensure the effective implementation of those decisions in a timely manner.
- Receiving reports and recommendations from all committees and periodically presenting them to the Board to take the necessary measures.
- Ensuring that all members of the Board carry out a self-assessment that reflects the member's commitment to his duties.
- Ensuring the Board's commitment to carrying out its duties to the fullest extent in line with the best interest of the company, and avoiding conflict of interest.
- Ensuring the effectiveness of the corporate governance framework applied in the company, as well as the effectiveness of the performance of the Board's committees.

### **Responsibilities of the Managing Director**

The responsibilities of the Managing Director along with senior executive management includes:



- Executing the company's annual strategy and plan set and approved by the Board of Directors.
- Presiding over the company's executive work and managing its daily affairs, supervising the workflow in all the company's departments and divisions, following up on the performance of all activities, and taking the decisions it deems appropriate to regularize work and achieve goals, as well as working to increase customer satisfaction with the company.
- Working to implement all the company's internal policies, regulations and systems approved by the Board of Directors.
- Suggesting topics to be raised in the periodic meetings of the Board of Directors in consultation with the Chairman of the Board.
- Supervising the preparation of periodic financial and non-financial reports on the results of the company's business and evaluating its performance, as well as the corporate governance report, and reviewing all responses to the 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 of authority follow-up approved by the Board to ensure the loyalty of employees and maximize the value of the company.
- Determining the terms of reference and responsibilities of all employees of the company in accordance with the applicable work regulations and the decisions of the Board of Directors.

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

The company maintains a Board of Directors' secretariat organizational whose role is not only limited to taking meeting minutes but also includes:

- Preparing and managing the logistics of Board and committee meetings, assisting the Chairman of the Board in preparing the meeting agenda, preparing information, data, and details on the topics to be discussed and sending them to members well in advance of the meeting.
- Assisting the Chairman of the Board in preparing for the shareholders' General Assembly meetings and managing their logistics.
- Following up on the issuance and implementation of the Board of Directors' decisions, informing the concerned departments about them, and preparing follow-up reports on what has been done in their regard.
- Documenting all relevant details to the Board's resolutions and the topics presented before it, while ensuring that the Board obtains important information in a timely manner.
- Coordinating with all Board committees to ensure effective communication between those committees and the Board of Directors.



- Coordinating with the concerned committees in the context of providing the necessary information to support the Chairman of the Board in the process of evaluating the Board and committee members, and the proposals submitted by the Board to the General Assembly regarding the selection or replacement of a member.

#### **4) Committees of the Board of Directors on 31 December 2023**

The board of directors established a number of committees to assist the Board to effectively assume its roles and responsibilities of running the Company. These committees were formed as per the laws and regulations. The aforesaid committees submit their reports and recommendations to the board of directors periodically, to take the necessary decisions in their regard as specified in their respective terms of reference.

#### **Formation of the Committees**

	Member name	Name of Committee					Capacity of the Member
		Audit & Risk Committee	Remuneration and Nominations Committee	Investment Committee	ESOP Committee	Compliance & Governance Committee	
1	Seif Allah Coutry Saadi Coutry	Member	Member		Chairman	Chairman	Non-executive
2	Ashraf Kamel Moussa Sabry		Member	Chairman			Executive
3	Ashraf Mahmoud Abbas Zaki		Member	Member	Member		Non-Executive
4	Shehab Ezzat Abdelrahman Zidan					Member	Non-Executive
5	Sherif Hussein SaFwat Mohamed Tolba					Member	Non-Executive
6	Magda Raafat Gendy Habib		Member	Member	Member		Non-executive / Non-independent
7	Hussein Hassan Choukri	Chairman	Chairman		Member	Member	Independent
8	Moataz Mohamed Hashem Tabaa	Member	Member		Member	Member	Independent
9	Rafi Aziz Qasim	Member					Independent

#### **The progress of the Board meetings and its committees**

- The current board of directors was elected by virtue of resolution of the company's ordinary general assembly held on 21 November 2021, for a three-year term ending in December 2024.
- Five (5) meetings were held remotely.
- The following meetings were held during the year 2023: Four (4) meeting of the audit and risk committee, One (1) meetings of the Compliance & Governance Committee, one (1) meeting of the remuneration and nominations committee, and One (1) meetings of the investment committee, and One (1) meetings of ESOP committee.



## A Follow-up schedule of the Board members' attendance of the Board meetings, Committees and General Assembly meetings

	Member name	Board Meetings	Joining Date of Board	Departure Date of Board	Compliance & Governance Committee	Meeting Date	Audit & Risk Committee	Meeting Date	Remuneration & Nominations Committee	Meeting Date	ESOP Committee	Meeting Date	Investment Committee	Meeting Date
1	Seif Allah Coutry Saadi Coutry	5/5	21/11/2021	-	1/1	11/15/2020	4/4	11/15/2020	1/1	11/15/2020	1/1	3/29/2021	-	-
2	Ashraf Kamel Moussa Sabry	5/5	21/11/2021	-	-	-	-	-	1/1	11/15/2020	-	-	1/1	3/29/2021
3	Babatunde Soyoye	1/5	21/11/2021	6/3/2023	-	-	-	-	-	-	-	-	-	-
4	Hedi Ben Melouka	1/5	21/11/2021	17/5/2023	-	-	-	-	-	-	-	-	-	-
5	Ashraf Mahmoud Abbas Zaki	4/5	21/11/2021	-	-	-	-	-	1/1	11/15/2020	1/1	3/29/2021	1/1	3/29/2021
6	Volodymyr Tsapko	5/5	17/5/2023	-	-	-	-	-	-	-	-	-	-	-
7	Shehab Ezzat Abdelrahman Zidan	5/5	21/11/2021	-	1/1	11/15/2020	-	-	-	-	-	-	-	-
8	Sherif Hussein Safwat Mohamed Tolba	5/5	21/11/2021	-	1/1	11/15/2020	-	-	-	-	-	-	-	-
9	Magda Raafat Gendy Habib	5/5	21/11/2021	-	-	-	-	-	1/1	11/15/2020	1/1	3/29/2021	1/1	3/29/2021
10	Hussein Hassan Choukri	5/5	21/11/2021	-	1/1	11/15/2020	4/4	11-15-2020	1/1	11/15/2020	1/1	3/29/2021	-	-
11	Moataz Mohamed Hashem El-Tabaa	5/5	21/11/2021	-	1/1	11/15/2020	4/4	11-15-2020	1/1	11/15/2020	1/1	3/29/2021	-	-
12	Aziz Moolji	5/5	20/7/2022	-	-	-	-	-	-	-	-	-	-	-
13	Ahmed Al Tanani	5/5	20/7/2022	-	-	-	-	-	-	-	-	-	-	-
14	Rafi Aziz Qasim	4/5	12/4/2023	-	-	-	4/4	3-5-2023	-	-	-	-	-	-

### The Committee of Audit & Risk

The company contains an Audit and Risk Committee comprising of Four non-executive Board Members including three independent members who possess the necessary experience to ensure achieving the desired balance in ability, knowledge, and adequate Familiarity with Financial topics and the Field of audit and accounting in accordance with the size of the company.

### The committee's responsibilities include:

- Reviewing the company's internal control system and developing a written report on its opinion and recommendations in this regard.
- Reviewing the financial statements before submitting them to the Board of Directors and giving its opinion and recommendations in this regard.
- Reviewing the accounting principles used and expressing its opinion and recommendations regarding them.
- Recommending to the Board of Directors to appoint one or more auditors for the company, outlining the needed qualifications, competence, and independence. The



decision to appoint auditors and determine their remuneration is the responsibility of the company's Ordinary General Assembly.

- Reviewing and commenting on the auditor's audit plan.
- Reviewing the auditor's notes and recommendations on the financial and other statements contained in the management letter received from the auditor and following up on the actions taken in their regard.
- Ensuring the company's commitment to follow the internal and external systems, regulations and laws in accordance with the reports submitted to it by the Compliance Department or other concerned departments.
- Recommending approval for the auditor to carry out additional duties other than auditing the accounts, and recommending approval of the auditor's remuneration for these operations in proportion to the annual remuneration.
- Discussing and approving the annual plan of the Internal Audit Department, following up on its efficiency, and ensuring that it includes all the company's departments and activities.
- Reviewing the internal audit reports, identifying the company's shortcomings and their reasons, and following up on the corrective actions.
- Reviewing and evaluating the company's early warning system and suggesting what is needed to effectively improve and implement it.
- Reviewing and evaluating security systems, information, and data, and how to protect them from any internal or external penetrations.
- Reviewing the observations or violations received from the regulatory authorities and following up on the subsequent measures.
- Inviting the company's auditor, head of the internal Audit Department, or whoever deemed appropriate from within or outside the company to attend its meetings whenever the need arises.
- Implementing and following up on any other tasks assigned by the Board of Directors.

In 2023, the committee performed quarterly reviews and issued its periodical reports to the company's Board of Directors alongside its recommendations which included the approval of the financial accounts.

### **The Committee of Remuneration and Nominations**

- Regular and constant review of the appropriate skills required for membership in the Board of Directors and of senior management.



- Assisting the Board in developing the required qualifications, evaluating potential candidates for executive positions, and supervising the development of authority succession plans.
- Determining the responsibilities of the executive, non-executive, and independent members of the Board of Directors.
- Continuously verifying the independence of the independent board members and ensuring that there is no conflict of interest if a member joins the Board of Directors of any other company.
- Proposing clear policies for the remuneration of members of the Board of Directors, committee members, and senior executives in the company and defining criteria for measuring performance in determining remuneration.
- Reviewing the remuneration and compensation policy on a yearly basis after conducting the necessary studies for the current remuneration policy.
- Preparing a detailed annual report to be submitted to the Board of Directors and the General Assembly on all remunerations and benefits received by members of the Board of Directors and senior management.

### **The Committee of Compliance and Governance**

- Evaluating the corporate governance framework, policies, and procedures that determine the implementation of corporate governance principles.
- Determining best practices and recommending corporate governance principles that apply to the company.
- Preparing annual reports on the company's compliance with the principles of corporate governance and relevant regulations.
- Reviewing the observations of the supervisory authorities on the implementation of corporate governance in the company, considering these observations, and following up on the corrective measures taken.
- Reviewing the adequacy and effectiveness of the system to monitor compliance with laws, regulations, contracts, policies, procedures, and certification requirements.
- Obtaining reports from management about the company's compliance with its code of business conduct and ethics, and reviewing the disclosures required to be made under the laws of the Financial Regulatory Authority and the relevant regulations and procedures. Reviewing the procedures implemented by the company in relation to compliance with the company's code of business conduct and ethics.
- Monitoring the implementation of procedures for receiving, maintaining, and handling complaints regarding accounting matters, internal controls, or other matters, including mechanisms for the presentation of relevant facts or concerns by company employees.



### **The Committee of Employee Stock Option (ESOP)**

This committee promotes to members of senior management and the company's employees the benefits of owning shares in their company of employment, which increases the sense of belonging to the company and the continuous effort to help the company achieve its purpose in order to increase the returns to shareholders. The company uses this system to:

- Promote to members of senior management and the company's employees the benefits of owning shares in their company of employment.
- Attract competent and experienced workers and employees in order to combat job offers that might be provided to them by competing companies.
- Retaining experienced employees.
- Pushing employees towards innovation and positive teamwork.

### **The Committee of Investment**

- Reviewing the company's investment strategy and guiding principles.
- Assessing investment opportunities which exceed the designated amount and providing a recommendation to the Board of Directors according to the majority vote of the present committee members.
- Monitoring the performance of the investment portfolio and providing the Board of Directors with reports on the portfolio's performance on a semi-annual basis.

## **5) The Regulatory Environment**

### **Internal Control System**

The company's internal control system ensures the following:

- Complete separation between the responsibilities and authorities of all employees of the company, whereby the internal control system determines the terms of reference and complete separation between responsibilities and tasks, which was considered when preparing the organizational structure of the company.
- Ensuring the accuracy and quality of information, so that it provides both the company and others with correct and accurate information about the company.
- Protecting the company's physical assets from the dangers it may be exposed to, 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 while maintaining quality.
- Ensuring the accuracy of the implementation of instructions, to ensure that all instructions have been implemented as they should.
- Ensuring the implementation of corporate governance rules, through strict execution of the various corporate governance instructions and rules.



## **Internal Audit Department**

The company's internal audit function is an independent and objective, designed to add value and improve the performance of the company's operations to help it achieve its goals by adopting a systematic and organized approach aimed at evaluating the means and systems of internal control and risk management procedures in the company, and ensuring the proper application of the rules of governance. It concerns all departments and executive, financial, and legal activities.

The internal audit department is managed full-time by a member of the company's administrative leadership, who reports on technical matters to the audit committee and administratively to the company's Managing Director or the CEO.

The appointment and dismissal of the head of the internal audit department and determination of his/her remuneration is based on a recommendation by the Audit Committee, based on which the Managing Director will then issue a decision. The audit committee determines the objectives, tasks, and powers of the internal audit department through the internal audit work charter that was approved on March 29, 2021 and stipulates that the Director of the Internal Audit Department should submit at least a quarterly report to the Audit Committee explaining the results of his/her work starting from the subsequent period.

The tasks carried out by the internal auditor throughout the year include:

- Evaluating the efficiency of the company's internal control system and submitting reports to the Audit Committee with the observations made.
- Assessing the extent to which the company's departments are committed to carrying out their work in accordance with work procedures and established policies without conflicting with the competencies of other concerned departments.
- Assessing the efficiency of procedures and established policies and their compatibility with work and market developments.
- Following up on the corrective measures taken for the observations made in the internal and external audit reports and others received from the regulatory authorities.

## **Risk Management Department**

The company's Board of Directors is generally responsible for managing risks in a manner consistent with the nature of the company's activities and size and the market in which it operates. The company contains a risk management policy to be approved by the Board of Directors.

The Risk Management Department's responsibilities include:

- Conducting accurate and timely analyses of the risks that the company may be exposed.
- Determining the level of risks that the company can tolerate based on the size of the risks that the company may face depending on their impact and likelihood.



- Developing a risk policy and specific indicators to measure, monitor, and control the risks surrounding the company.
- Measuring the extent to which the policies continue to be appropriate and effective with regard to measuring, following up on and monitoring risks, and making any required adjustments in accordance with market developments and the surrounding environment, both internally and externally.
- Ensuring the availability of appropriate and effective information and communication systems with regard to the process of follow-up and control of risks, so as to allow senior management and the Risk Committee to receive periodic reports from the Risk Management Department that reflect the company's commitment to the set risk limits, and clarify the violations of these limits, their causes, and the proposed plan to address them.

### **The Auditor**

The company's auditor was appointed from among those who meet the conditions stipulated in the Law for the Practice of the Accounting and Auditing Profession, which include competence, reputation, and sufficient experience. The auditor's experience, competence, and capabilities commensurate with the size and nature of the company's activities and those with whom it deals.

The company shall, upon nomination by the Board of Directors and after the recommendation of the Audit Committee, appoint one or more auditors for the company, taking into account that the auditor is completely independent from the company and members of its Board of Directors. The auditor must be impartial in his/her opinions, and the scope of work must be immune against Board intervention.

The Board of Directors may not contract the company's auditor to perform any additional work that is not directly or indirectly related to his/her work as its auditor, except after obtaining the approval of the Audit Committee, and provided that this additional work is not among the tasks the auditor is prohibited from carrying out. The fees for performing additional works must be commensurate with the nature and size of the required tasks. The Audit Committee, when considering the approval of the auditor's performance of additional work and determining the remuneration for it, should consider that this does not affect the auditor's independence, with the need to disclose this in the General Assembly of shareholders and the annual report.

The company is entitled to a copy of the auditor's report that reviews the report prepared by the company on the extent of its commitment to the rules of governance to the administrative authority, in accordance with the rules of governance and disclosure in force. This report is also submitted to the General Assembly of shareholders.



## **6) Disclosure and Transparency**

The company is methodical in disclosing information that is periodic, documented, credible, measurable, and comparable, to be presented in a timely and clear manner that is not misleading, and to be presented to all recipients simultaneously through the various available disclosure channels. The company also works to immediately disclose all material events as they occur.

### **Material Information and Financial and Non-financial Disclosure**

The company discloses, through various means, the company's financial information of interest to shareholders and stakeholders, such as its annual and periodic financial statements, annual and periodic auditor's reports, as well as the Board of Directors' report, accounting policies, estimated budgets, asset assessment methods, and dividends.

It also clarifies how to disclose the company's non-financial information of interest to current and prospective shareholders and investors, including:

- Internal information that includes the company's goals, vision, nature of its activities, and plans and future strategy.
- Systems of raising competencies, training, reward, and care for its employees.
- Ownership structures of sister companies and subsidiaries.
- Transactions with related parties and related-party contracts.
- The most important potential risks and how to counter them.
- Changing investment policies.
- Disclosure of treasury shares to its shareholders and to the regulatory authorities. In the event that a subsidiary company purchases the shares of the holding company that owns it, all the rules of treasury shares shall apply to the purchased shares, and they shall not be counted in the quorum of shareholders, nor participate in voting on the decisions of the General Assembly.
- Providing the Financial Regulatory Authority and the Stock Exchange with the resolutions of the Ordinary and Extraordinary General Assembly immediately after its conclusion and no later than before the start of the first trading session following the end of the meeting. The company is also obligated to provide the Stock Exchange with the minutes within a week at most from the date of the General Assembly meeting, provided that they are approved by the Chairman of the Board of Directors.
- Providing the Stock Exchange with the minutes of the General Assembly meetings approved by the competent administrative authority, within a period not exceeding three working days from the date of their receipt.
- Providing the Financial Regulatory Authority and the Stock Exchange with a summary of the resolutions that contain material events issued by its Board of directors immediately after its end and no later than before the start of the first trading session following the end of the meeting.



- Providing the Financial Regulatory Authority and the Stock Exchange with a statement approved by the company's Board of Directors of the most material results of its business compared to the corresponding period, in accordance with the relevant Stock Exchange Form for this, as soon as the Board of Directors approves the annual or quarterly (periodic) financial statements in preparation for referring them to the auditor to issue their report on them. Such disclosure shall be made after the end of the meeting, and no later than before the beginning of the next trading session following the end of the meeting.
- Announcing the resolution of the competent authority responsible for cash dividends or free stock dividends, or both.
- Disclosure when the holdings of a shareholder and related parties exceed or decrease 5% and its multiples of the number of securities representing the capital of the company listed in the Stock Exchange or its voting rights, including the shares that have been subscribed for by purchasing their rights issue.
- Disclosure of the future investment plan and the shareholder's directions regarding the company's management if the percentage of buyer and his associated parties reached 25% or more of the company's capital or voting rights.
- Disclosure of when any arbitration or judicial rulings are issued at any stage of litigation when they affect the company's financial position or the rights of its securities holders or have an impact on trading prices or traders' investment decisions.
- Disclosure at the end of the fiscal year about the extent to which the company has achieved the results contained in the independent financial advisor's report on the fair value or the work plans approved by the sponsor for small and medium-sized companies, provided that the report includes a statement of the reasons and justifications in the event of substantial deviations from what is contained in this report or the work plans referred to.
- Immediate disclosure upon the issuance of any judicial rulings of a custodial penalty against a member of the Board of Directors of the issuing entity or one of its main officials.

#### **Violations and judgments issued against the company during the year:**

None

#### **Investor Relations**

The company has an investor relations manager, whose aim is to build and advance the relationship with current and prospective investors, open channels of communication with those involved in the capital and investment market, and provide the necessary disclosure and transparency, which will have a positive impact on:

- Investors' view of the company's current performance and their expectations for future performance.



- Achieving adequate liquidity For trading the company's shares on the stock exchange.
- Reducing the cost of financing in the long run.
- Increasing the confidence of the company's traders and stakeholders, as well as promoting an increase in the company's support groups.

The Investor Relations Officer participates in setting the company's communication strategy with the investment market, opening channels of communication with investors, and conveying market views and investor concerns to the Board of Directors on a regular basis.

Investor relations is a tool that enables the Board of Directors to understand the reasons for the performance of the company's shares, and the reflection of that performance on their fair value according to the information provided by the company on its performance, capabilities, future, and the extent of the company's commitment to the rules of disclosure and communication with investors, the clarity of their vision, and the investment market's assessment of it.

The Investor Relations Department reports to the Chairman of the Board of Directors or the Managing Director and submits its periodic reports to them, with the possibility of the Investor Relations official attending the company's General Assembly and Board of Directors meetings, in order to learn about the company's internal affairs and its strategic directions.

The company clarifies the most prominent activities of the Investor Relations Officer during the year, including:

- Developing an investor relations strategy by understanding the market and company's requirements, enabling the Investor Relations Officer to determine the priorities regarding the required activities and set the strategy required to implement those activities in cooperation with the Board of Directors.
- Participating in setting the disclosure policy followed in the company and approved by the Board of Directors.
- Preserving existing investors and attracting new ones by educating the market about the company's business and future growth opportunities 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 prices and trading volumes.
- Organizing the information issued by the company in accordance with the applicable disclosure rules.
- Establishing and following up on the investor database, whether in terms of the type of investor or his geographical location.
- Introducing the market to the new members of the board of directors or senior management.



- Organizing promotional campaigns and events on behalf of the company according to a previously prepared plan and Facilitating investor visits to the company's various sites.
- Communicating with investors through various communication tools such as the company's website, social networking sites, and press reports, and participating in preparing the annual report of interest to current and prospective investors.
- Preparing the disclosure report required by the company, preparing the investor relations pages on the company's website, and updating them on an ongoing basis.

## **7) Disclosure Tools**

The company issues several reports to disclose all the company's activities and financial information which include:

### **Board of Directors' report**

The company issues an annual report in accordance with Companies Law No. 159 of 1981 and its executive regulations, to be presented to the General Assembly of shareholders and regulatory authorities, addressed by the Chairman of the Board to the shareholders. It includes at least the following:

- A discussion of the financial results and material issues.
- The company's main achievements during the year.
- Analysis of the company's main business environment and markets.
- The company's strategy.
- Major changes in the company's administrative structure.
- Formation of the Board of Directors and the number of times it met.
- Formation of board committees and the number of times they met.
- The average number of employees in the company during the year and the average income during the same period.
- Policies to reward and motivate employees, such as offers to own shares and others.
- What was done regarding the related-party contracts concluded in the previous year, as well as the related-party contracts offered for the following year.
- Actions taken against the company, members of its Board of Directors, or managers by regulatory or judicial authorities.
- A report on the company's commitment to corporate governance, social, and environmental responsibility.

### **Disclosure report**

The company issues a quarterly disclosure report prepared by management with the assistance of the Investor Relations Department, that includes at least the following:

- Company contact information.



- Investor Relations Officer contact details.
- Shareholder structure of those who own 5% or more of the company's shares.
- The total shareholder structure showing Free Float shares.
- Details of the company's treasury shares.
- Changes to the company's Board of Directors and the latest formation of the Board.
- The establishment of board committees.
- Auditor changes for the coming period.

The company issues an annual report in both Arabic and English that includes a summary of the Board of Directors' report and financial statements, in addition to all other information of interest to shareholders, current and prospective investors, and other stakeholders as the most important sources of information for current and prospective investors about the company, its activities, and its financial position. It serves as a report from the company's management to all those interested in the events that took place during the past year and what the company aims to achieve during the coming year. The annual report shall contain at least the following:

- A word from the Chairman of the Board of Directors and/or the Managing Director.
- Vision and mission.
- The company's strategy.
- The company's history and timeline.
- Ownership structure.
- Senior management and the Board of Directors structure.
- Analysis of the market in which the company operates.
- The company's current and future projects.
- Analysis of the company's financial position.
- Report on the company's social and environmental responsibility.
- A report on the executive management's discussion of the company's financial performance.
- The auditor's report and the comparative financial statements for the same previous periods.

## **Website**

The company has its own website in both Arabic and English through which financial and non-financial information is disclosed in an easy way for the user. The website is continuously updated with the latest information and provides easy means of communication with the company, which is obliged to follow up on responding to messages and inquiries received. The website address is ([www.fawry.com](http://www.fawry.com))



### **The Company's website includes the following pages:**

- An overview of the Company, its vision, mission and strategy.
- Formation of the board of directors, its committees and Senior Management.
- Information about the Company's activities, products and scope of work.
- The Financial Statements, periodic and annual comparative financial results over previous periods.
- Disclosures related to material events upon their occurrence. Investor Relations pages and how to directly contact them. Press releases issued by the Company.

## **8) Codes and Policies**

### **Code of Ethics and Business Conduct**

The company has a Code of Ethics and Business Conduct, which was approved in the past period. It includes a set of values that work to control and regulate the rules of business conduct and professional ethics within the company. It contains standards of behavior that all company employees must follow and observe in all transactions and at every location in which they perform their work, in a way that positively affects the reputation and credibility of the company and the integrity of its employees, and guarantees the rights of its shareholders and all those who deal with it. The Board of Directors approved in its meeting held on 29/3/2021 the code of ethics and business conduct.

### **Succession Planning**

The company is currently putting in place a system of rights, responsibilities, and competencies for all activities which includes the implementation of all the company's operational activities in an effective, flexible, and authority and responsibility specific way. The company also considers selection, recruitment, and promotions in order to guarantee securing the most qualified personnel for the company in the appropriate positions under the supervisor of the Human Resources Department. The Board of Directors approved in its meeting held on 29/3/2021 the succession planning policy.

### **Whistleblowing**

The company actively encourages employees to report any activities that violate the rules, regulations, company internal procedures, or the code of ethics and business conduct of the company, and action is taken against the offenders with the reporter being protected, taking into consideration the fact that reporting is done based on documents or substantive information. The Board of Directors approved in its meeting held on 29/3/2021 the whistleblowing policy.



## 9) Insider and Related Parties Trading Policy

Insider trading of company shares is controlled according to the rules of the supervisory authorities, and it shows the extent of the commitment of insiders, Founders, the main shareholders, and groups associated with them not to be a party to any of the related-party contracts except after the approval of the General Assembly, provided that this is presented to the assembly in Full detail in advance, including the price and number of shares prior to any action. The concerned party is not entitled to vote in the General Assembly. The policy ensures that all concerned parties understand the definition of insider trading and the rules of its regulation. This policy, which was approved by the board of Directors on November 14, 2022, includes the following:

- Prohibiting any insiders or their related parties from dealing in any securities issued by the company within five working days before and one working day after publishing any material information.
- Prohibiting any trading activity by shareholders who own 20% or more on their own or through a related party, until the Stock Exchange is notified of this.
- Prohibiting members of the company's Board of Directors, regardless of the percentage of their contribution to the capital, its officials, or people who have access to information that is not available to others and has an impact on the price of the security, from buying or selling the securities to which this information relates.

### Disclosure of Activities of Related Parties

Activates and balances of debit and credit related parties are disclosed as part of the financial statement breakdowns.

**The main objectives and principles of the disclosure policy related to the transactions of all shareholders, as well as how to disclose all material information, considering the legal requirements and rules of listing in the Egyptian Stock Exchange:**

**A. The objectives of the disclosure policy are to control and direct everything related to:**

- How to communicate essential information to the public
- How to prevent unauthorized disclosure of material and non-public information by the employees of Fawry For Banking Services and Electronic Payments LLC ("Fawry" or the "Company").

**B. The main principles of the disclosure policy are:**

- Treat all shareholders equally.
- To disclose all material information in a timely and accurate manner.



- Consider the relevant legal requirements and listing rules.

### **Board of Directors work regulations related to the board's responsibility to supervise the operational and financial performance of the company**

The Board of Directors of Fawry For Banking Services and Electronic Payments L.L.C. (“Fawry” or the “Company”) is responsible for overseeing the operational and financial performance of the Company, as well as the corporate governance practices and making all major decisions related to the general policy of the company. And the Board of Directors approved in its meeting on 11/14/2022.

### **The corporate governance framework, which explains the company’s enactment of various corporate governance practices and policies**

The Board of Directors of Fawry For Banking Services and Electronic Payments LLC (“Fawry” or the “Company”) oversees compliance with the corporate governance framework. This Corporate Governance Statement has been approved by the members of the Board of Directors and is effective as of May 25, 2022. The corporate governance framework shows the extent to which the company enacts

various corporate governance practices and policies. The Company will follow every policy that the Board of Directors deems appropriate and necessary to its corporate governance practices. In the presence of a sound governance framework, the company's business can take advantage of growth opportunities. According to the Organization for Economic Co-operation and Development (OECD), corporate governance is the system by which companies are directed and controlled for the benefit of shareholders and other stakeholders, to maintain their value and promote their growth. The Good corporate governance is related to doing what is in the interest of shareholders and extends beyond compliance with regulations and laws, and therefore it needs to be well published within the company to be effective. The company’s board of directors approved in its meeting on 11/14/2022.



The below follow-up table shows the insiders' Transactions on the company's shares

	Member name	Number of shares owned at the start of the year	Share balance at year-end
1	Responsability Participations AG	162,102,903	161,408,519
2	Ashraf Kamel Moussa Sabry Kamel	71,147,911	74,912,691

On April 13, 2023, the company's ordinary general assembly meeting was held, the issued and paid-up capital was increased from 1,653,652,060 Egyptian pounds to 1,703,261,622 Egyptian pounds distributed among 3,406,523,244 Cash nominal shares, the value of each share (fifty piasters). Using the reserve balance of the reward and incentive system (ESOP), and it was noted in the commercial registry on 11/5/2023.

#### **The Company's Legal Representative**

**Name:** Seif Allah Coutry Saadi Hassan Coutry

**Capacity:** Chairman of the Board of Directors