



Hazem Hassan

Public Accountants & Consultants

B (105) – Avenue (2) – Smart Village
Km 28 Cairo – Alex Desert Road
Giza – Cairo – Egypt
Postal Code : 12577

Telephone : (202) 35 37 5000 – 35 37 5005
E-mail : Egypt@kpmg.com.eg
Fax : (202) 35 37 3537
P.O. Box : (5) Smart Village

LIMITED ASSURANCE REPORT OF THE BOARD OF DIRECTORS' REPORT ON THE CORPORATE GOVERNANCE RULES FOR SIXTH OF OCTOBER FOR DEVELOPMENT AND INVESTMENT COMPANY "SODIC"

To the Board of Directors of Sixth of October for Development and Investment Company "SODIC"

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 Sixth of October for Development and Investment Company "SODIC" 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.

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.



Hazem Hassan

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 referred to in the Egyptian Stock Exchange commission.

Cairo Febraury 5, 2024

KPMG Hazem Hassan

Public Accountants & Consultants

KPMG Hazem Hassan
Public Accountants and Consultants

4

Corporate Governance Report of the Sixth of October Development & Investment Co. – SODIC S.A.E
for the Fiscal Year Ended 31/12/2023

To: The Financial Regulatory Authority

To: The Shareholders of Sixth of October for Development and Investment Co. “SODIC”

Introduction:

Sixth of October Development and Investment Co. (SODIC) is one of Egypt’s largest real estate development companies. We strive to create and deliver sustainable developments that redefine the real estate market, and our goal is to lead the Egyptian real estate landscape through diversity, experience, and value creation.

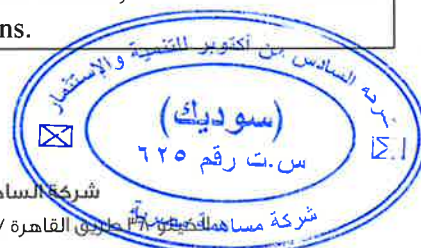
SODIC is a customer-focused developer with a progressive vision that places innovation at the center of everything we do. Our customers place their trust in us for the long-term. In turn, we strive to provide them with sustainable developments that continue to flourish well into the future.

Based in Cairo and traded on the Egyptian stock exchange (EGX) under the code OCDI.CA, SODIC is one of the few non-family-owned companies on the EGX that is prudently governed by our management under a robust corporate governance framework.

Company information

Company name	Sixth of October Development & Investment – SODIC
SODIC’s Purpose	<ol style="list-style-type: none"> 1- Working in the field of purchasing lands for the purpose of supplying facilities, allocating lands, selling, and leasing them. 2- Working in the field of contracting, integrated construction, and complementary works. 3- Lands planning and dividing, preparing lands for construction according to modern construction methods. 4- Building, selling, and leasing all types of real estates. 5- Working in the field of land rehabilitation and reform. 6- Working in the field of tourism development and in all areas of tourist establishments such as building hotels, motels and tourist villages, and managing, renting, selling them and usage in accordance with the enforced laws and regulations. 7- Establishing, managing, selling and renting residential, service, commercial, industrial and tourism projects. 8- Working in the field of landscaping, and agriculture of gardens, roads and squares, as well as providing security, maintenance and cleaning services. 9- Working in the field of ownership, and managing for sports, entertainment, medical and educational facilities, as well as restaurants ownership, management, and operations.

Eman C. Al



	The company may have an interest or participate in any mean with companies and others that carry out similar business or that may assist it in achieving its purpose in Egypt or abroad, It may also merge with, acquire or attach to the abovementioned entities, in accordance with the provisions of the law and its executive regulations.		
Company term	50 years	Date of listing on EGX	10/03/1998
Law to which the Company is subject	Law No. 159 of 1981	Share nominal value	EGP 4
Last authorized capital	EGP 2 800 000 000	Last issued capital	EGP 1 424 789 472
Last paid-up capital	EGP 1 424 789 472	Registration with Commercial Registry (number and date)	625 (Date: 25/05/1996)
Contact persons	Ahmed Hegazy Mohamed Youssef Eman Galal Ibrahim Mahmoud Ahmed Assal Salah Aldin Waly		
Head office address	Kilo 38, Cairo Alexandria Desert Road, Polygon Building 1, Beverly Hills, Sheikh Zayed City, Giza		
Telephone number	+202 38270300	Fax number	+202 38270301
Website	www.sodic.com		
Email	ahegazi@sodic.com, egalal@sodic.com, mwaly@sodic.com		

Shareholders' general meetings

The Shareholders are the principal stakeholders or participants in the Company and the principles of corporate governance primarily seek to protect shareholders. Their rights are recognized in the Company's Articles of Association and are underpinned by the rules of the EGX and the FRA, as well as the applicable laws and regulations.

Ordinary and extraordinary general meetings shall be convened in the city in which the Company's head office is located. A general meeting shall be convened when called by the Board. The notice of a general meeting shall be published twice in two daily newspapers, with at least one of them being issued in Arabic. A shareholder may attend a general meeting in person or by proxy. Attendance by proxy will not be valid unless it is evidenced by a written power of attorney, or unless the representative is a shareholder.

Eman Galal



Ownership structure

Holders of 5% or more of shares	Beneficiary	No. of shares as at the date of Financial Statements	Percentage %
ALDAR VENTURES INTERNATIONAL HOLDINGS RSC LIMITED	Self	213 240 140	59.87%
GAMMA FORGE LIMITED	Self	91 388 632	25.66%
Total		304 628 772	85.53%

Board Composition as of 31/12/2023:

Pursuant to SODIC's AOA, Law no.159 of 1981 and its amendments and executive regulations, Law no. 95 of 1992 and its amendments and executive regulations, as well as the Egyptian Corporate Governance Code, BOD members are elected by SODIC's shareholders for a three-year term at the General Assembly of Shareholders.

Following the acquisition of 85.5% of SODIC's shares by an investor consortium led by Aldar Properties, the new shareholders elected the new Board of Directors that comprises 10 members during the OGM held on 16 January 2022.

On February 15th, 2023, the Board accepted the resignation of Eng. Magued Ahmed Samy Mohamed Sherif, the Managing Director from his position as the company's CEO, and Managing Director effective April 14th, 2023, while continuing to perform his duties as a non-executive Board member. The Board approved appointing Eng. Ayman Mustafa Aly Amer as General Manager of the company effective February 15th, 2023 and granted him all executive and administrative authorities needed to carry out his duties.

On July 24th, 2023, the Board approved the appointment of Mrs. Emma Louise O'Brien, as a representative of Aldar Ventures International Holdings RSC Limited on the company's Board of Directors, replacing Mrs. Sana Khater, effective of July 25th, 2023.

On September 7th, 2023, The Board approved the appointment of Mr. Roque Manuel Solabarrieta Chelech, and Mr. Khalifa Mohammed Murad Hasan AlBlooshi as representatives of Gamma Forge Limited in the company's Board of Directors, replacing Mr. Omar Mohammed Hassan Mehanna, and Mr. Amer Saleh Alameri.

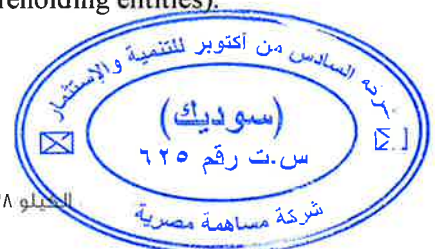
Board Diversity:

As per the corporate governance principles and laws with regards to ensuring gender diversity, the board includes two women, representing 20% of the members.

The newly elected Board comprises of:

- Eight non-executive members (Seven members representing the shareholding entities).
- Two Independent members

Eman Oishi



The Board composition is as follows:

No.	Name	Capacity (Executive/ Non-Executive/ Independent)	Number of Owned Shares	Joining Date	Representing
1	Talal Shafique Abdullah Al Dhiyebi	Chairman Non-Executive	213 240 140	16/1/2022	Aldar Ventures International Holdings RSC Limited
2	Osama Abdulmonem Mahmoud Saleh	Deputy Chairman Independent	-	16/1/2022	Self
3	Magued Ahmed Samy Mohamed Sherif	Board Member Non-Executive	-	16/1/2022	Self
4	Jonathan Michael Emery	Board Member Non-Executive	213 240 140	16/1/2022	Aldar Ventures International Holdings RSC Limited
5	David Manson Dudley	Board Member Non-Executive	213 240 140	16/1/2022	Aldar Ventures International Holdings RSC Limited
6	Emma Louise O'Brien	Board Member Non-Executive	213 240 140	24/7/2023	Aldar Ventures International Holdings RSC Limited
7	Fahad Abdulla Mohamed Abdulla Al Mahmoud	Board Member Non-Executive	213 240 140	16/1/2022	Aldar Ventures International Holdings RSC Limited
8	Rouqe Manuel Solaberrieta Chelech	Board Member Non-Executive	91 388 632	7/9/2023	Gamma Forge Limited
9	Khalifa Mohammed Murad Hassan AlBlooshi	Board Member Non-Executive	91 388 632	7/9/2023	Gamma Forge Limited
10	Dalia Hazem Gamil Khorshid	Board Member Independent	-	16/1/2022	Self

Board Meetings

According to SODIC's Article of Association (AOA), the Board of Directors convenes at a minimum four times a year. In 2023, the Board convened 14 times.

A Board or committee meeting may be attended in person, by phone (conference call), or by any visual communication means (video conferencing). Board resolutions may be adopted by circulation when necessary.

Eman Abdel

Board Role and Responsibilities

The Board is in charge of running the Company's affairs based on the mandate given by the general assembly. The Board sets the strategic objectives of the Company and conducts its business under the regulating laws, the company's bylaws, as well as the rules and regulations of relevant regulatory authorities to ensure that the executive management is fulfilling its duties within the set plans and in a way that serves the company's and shareholders' interests.

The Board also ensures that the company is committed to its responsibilities towards the community and the environment and ensures the efficiency of the internal control system and risk management and determines the best way to implement governance systems.

Board Chairman

The Board Chairman performs certain duties, including:

- Call for, set the agendas of, and preside over Board meetings.
- Call for ordinary and extraordinary general assembly meetings to consider the agendas submitted by the Board.
- Ensure that sufficient and accurate information is made available in a timely manner to shareholders and Board members.
- Ensure that the decisions are made based on rational grounds and based on full awareness of the relevant matters, and that a suitable mechanism is in place to guarantee the effectiveness of implementing these decisions at the right time.
- Receive reports and recommendations from all committees and submit them to the Board on a regular basis for necessary action.
- Ensure that the Board is fulfilling its duties in a manner that serves the Company's and shareholders' interests, while avoiding any conflict of interest.
- Ensure the efficiency of the governance system and effectiveness of the Board committees.

The General Manager for SODIC Group:

The General Manager for SODIC Group performs his duties according to the powers vested in him by the Board and according to the relevant laws and regulations, including the following:

- Execute the strategy and company's annual plan as set and approved by the Board.
- Lead the Company's executive work and day-to-day business, supervise the progress of all departments and divisions of the Company, monitor the performance of all activities, make decisions as they deem necessary for work to be performed in an orderly manner and the objectives to be achieved, as well as seek to improve customer satisfaction.
- Work on the implementation of all the Company's internal policies, rules and regulations approved by the Board.
- In consultation with the Chairman, propose the matters to be presented in the periodic Board meetings.
- Oversee the preparation of the periodic financial and non-financial reports on the Company's results and performance, as well as the corporate governance report, and review all the answers to the auditor's inquiries before preparing the said reports.

Eman Abdel

- Effectively participate in building and developing a culture of ethical values in the company and propose the compensation and benefits policies and succession planning mechanisms which are approved by the Board to ensure employee loyalty and maximize the Company's value.
- Determine the roles and responsibilities of all employees, in accordance with the applicable work regulations and Board resolutions.

Board Secretary

The Company has a Board Secretary, who reports to the Group General Counsel (Legal and Compliance Sector), acting as the liaison between the Board and the company's top management. The Board Secretary's role includes the following duties:

- Arrange for the Board and committee meetings, prepare the matters to be presented at these meetings, assist the Board Chairman and General Manager in preparing the meeting agendas, prepare the information, data and details relating to the said matters and send them to the members prior to the meetings in a timely manner, and manage the logistics of the meetings.
- Assist the Board Chairman and General Manager in the preparation for the shareholders' general meetings and management of the related logistics.
- Record attendance at all the meetings, noting whether attendance is in person or not.
- Prepare and record the minutes of Board and general meetings.
- Keep and document all that is related to the Board resolutions and the matters presented to the board, and ensure the Board receives important information in a timely manner.
- Liaise with all Board committees, ensuring effective communication between the Board and the committees.

Board Committees

Board Committees are established in line with applicable regulatory requirements in addition to the Egyptian Corporate Governance Code and leading practices to assist the Board of Directors in overseeing specific business activities, risk management, audit, compliance, and human resource matters of the company. The Board Committees include:

- Audit, Risk and Compliance Committee (ARCC) (mandatory)
- Nomination and Remuneration Committee (NRC) (mandatory)
- Executive Committee (EXCO)

Emam Abdel



Committee formation:

The following table provides the formation of the Board Committees as follows:

No.	Member's Name	Committee Name			Member's Capacity	Position on Committee	Joining Date
		EXCO	NRC	ARCC			
1	Osama Abdulmonem Mahmoud Saleh		✓	✓	Independent	Head of Audit, Risk, and Compliance Committee/ Nomination and Remuneration Committee Member	16/1/2022
2	Magued Ahmed Samy Mohamed Sherif	✓			Non-Executive	Committee Member	16/1/2022
3	Dalia Hazem Gamil Khorshid		✓	✓	Independent	Head of Nomination and Remuneration Committee/ Audit, Risk, and Compliance Committee Member	16/1/2022
4	Fahad Mohamed Abdullah Al Mahmoud	✓	✓		Non-Executive	Committee Member	16/1/2022
5	Ahmed Taha Hassan			✓	Experienced	Committee Member	24/7/2022
6	Jonathan Michael Emery	✓			Non-Executive	Head of Executive Committee	16/1/2022
7	David Manson Dudley	✓			Non-Executive	Committee Member	16/1/2022
8	Rouqe Manuel Solaberrieta Chelech	✓			Non-Executive	Committee Member	7/9/2023
9	Damir Mesic	✓			Experienced	Committee Member	7/9/2023
10	Noura Yassin	✓			Experienced	Committee Member	7/9/2023
11	Cecilia Correa	✓			Experienced	Committee Member	7/9/2023

Eman C. Al

- On July 24th, 2023, The Board approved the reformation of the company's ARCC by appointing Mr. Ahmed Taha Hasan, as a member of the Audit, Risk and Compliance Committee (ARCC), experienced committee member, replacing Mrs. Sana Khater.
- On September 7th, 2023, The Board approved the reformation of the company's EXCO by appointing Mr. Roque Manuel Solabarrieta Chelech, replacing Mr. Omar Mohammed Hassan Mehanna. And appointing Mr. Damir Mesic, Ms. Noura Yassin, and Ms. Cecilia Correa as experienced committee members.

Convened Board and Board committee meetings:

- Fourteen Board meetings,
- Eight Audit Committee meetings,
- Seven Board Executive Committee meetings and
- Two Nomination and Remuneration Committee meetings were convened during the year 2023.

Board members' attendance during the year 2023

No.	Name	Board Meetings	ARCC Meetings	NRC Meetings	EXCO Meetings
1	Talal Shafique Abdullah Al Dhiyebi	14/14	-	-	-
2	Osama Abdulmonem Mahmoud Saleh	14/14	8/8	-	-
3	Magued Ahmed Sami Mohamed Sherif	14/14	-	-	7/7
4	Jonathan Michael Emery	12/14	-	-	6/7
5	David Manson Dudley	13/14	-	-	7/7
6	Sana Khater / Emma Louise O'Brien / Ahmed Taha	14/14	8/8	-	7/7
7	Fahad Abdulla Mohamed Abdulla Al Mahmoud	14/14	-	-	7/7
8	Omar Mohamed Hassan Mehanna/ Rouqe Manuel Solaberrieta Chelech	13/14	-	-	7/7
9	Amer Saleh Al Ameri/ Khalifa Mohammed Murad Hassan AlBlooshi	11/14	-	-	-
10	Dalia Hazem Gamil Khorshid	13/14	7/8	-	-

Eman Abdel

No.	Name	Board Meetings	ARCC Meetings	NRC Meetings	EXCO Meetings
11	Damir Mesic	-	-	-	7/7
12	Noura Yassin	-	-	-	7/7
13	Cecilia Correa	-	-	-	7/7

Audit, Risk and Compliance Committee (ARCC):

The ARCC comprises of three members, including two independent members.

The Audit, Risk and Compliance Committee convened 8 times during the year 2023 in accordance with the periodic convening stipulated by the relevant laws.

Audit, Risk and Compliance Committee Responsibilities

The Audit, Risk and Compliance Committee's primary role is to provide objective review and advice to the Board on its oversight responsibility in relation to the:

- Operations and activities of the External Auditors and Internal Audit Department.
- Internal control, risk management and compliance frameworks and practices.
- Compliance with applicable regulatory requirements, the Code of Business Conduct and the Company's internal policies and procedures.

The Committee performs the role assigned to it under EGX's Listing Rules and the related governance instructions, decisions, and rules, to examine the management's implementation of the Board policies and ensure the business is run properly through:

- Reviewing reports received from applicable regulatory bodies, such as the FRA, to oversee issues noted and actions undertaken by SODIC and report to the board as deemed appropriate.
- Examining and reviewing the internal control procedures, and whether they are properly implemented.
- Ensuring the organization establishes a well effective risk management process.
- Following up on the results & implementation of necessary remedial actions regarding any conducted fraud/conflict of interest investigations.
- Ensuring integrity over the financial reporting and disclosure process.
- Reviewing the adopted accounting policies and the changes resulting from the implementation of any new accounting policies; and examining the following:
 - The coherence between the adopted accounting policies and any changes occurred thereto.
 - The methods employed to explain important or unusual transactions (as various methods are used).
 - Ensure following appropriate accounting and reporting standards and produce appropriate estimates and judgment.

- The clarity and sufficiency of information disclosure, as shown in the financial reports.
 - All essential information given with the financial statements.
- The Committee examines and reviews the internal audit mechanisms, tools, procedures, plans and results, studies the internal audit reports and monitors the implementation of the recommendations contained in these reports.
 - The Committee examines and reviews the managerial periodical reports submitted to the different managerial levels, the methods of preparing these reports and the time at which they were presented.
 - The Committee monitors the procedures applied in the preparation and review of the following:
 - The interim and annual financial statements.
 - The prospectuses of subscriptions, public offerings, and private placements.
 - The Committee examines the draft financial statements and notes to the financial statements before they are presented to the Board in preparation for sending them to the auditor.
 - The Committee discusses and examines with the management the matters of material importance.
 - The Committee examines the efficiency of the system for monitoring compliance with the laws and regulations and examines and monitors the results of the investigations conducted by the management (including disciplinary actions) for any incidents of non-compliance.
 - The Committee examines the results of any inspections conducted by regulatory authorities, any remarks given by any auditor, and ensures the appropriateness of the remedial actions.
 - The Committee reviews the procedures of communicating the Code of Ethics to the employees to monitor compliance.
 - The Committee proposes the appointment of the external auditor, determines of their fees, and consideration of the matters relating to his resignation and removal, without prejudice to the law.
 - The Committee offers an opinion on tasking the external auditor with performing services for the company other than the auditing of the financial statements, and determining the related fees, without prejudice to the auditor's independence requirements.
 - The Committee studies the auditor's report on the financial statements, discusses with the auditor the remarks and qualifications contained in the report, follows up on the actions taken in response to these remarks and qualifications, and sought to settle any difference between the viewpoints of the Company and those of the auditor.
 - The Committee ensures the implementation of the control methods necessary for preserving the Company's assets, ensure conducting of periodical assessment of the administrative procedures to ensure adherence to the rules; and prepares reports for submission to the Board.
 - The Committee discusses and approves the annual plan of the Internal Audit Department, monitored the efficiency of the plan, and ensures that it covers all the Company's departments and activities.
 - The Committee invites the auditor, the Chief Internal Audit Officer, and others, as it deemed appropriate, from inside and outside the Company, to attend Committee meetings as necessary.

Eman Abdel

- The Committee carries out and follows up all other aspects of work the Board had assigned to it.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee comprises of three members including two independent Board members and non- executive board members. As per its Charter approved by the Board, the NRC carries out the following duties:

- Endorse changes to high-level organizational structure.
- Endorse hiring and termination of the Company's high level executive leadership as per the DOA.
- Approve and periodically review the Company's overall remuneration framework and HR policies.
- Approve changes to the approved annual performance bonus structure and distribution.
- Approve annual salary increments.
- Approve Succession plan for the members of Senior Management and key personnel.

Board Executive Committee (EXCO)

The Executive Committee (The EXCO), which comprises of (8) members including 5 of the Company's Board members, was established by the Board to undertake key business decisions that includes the following tasks:

- Monitor the implementation of the company's strategy to ensure that the Company achieves good performance indicators.
- Reviews the work of the Company's departments.
- Discusses new business opportunities and plans for development and innovation.
- Investment strategies and policy approvals.
- Taking strategic and investment decisions.
- Overseeing financials, investment and capital allocation activities and partnership opportunities.
- Overseeing Group financial business performance and critical operational activities.
- Overseeing compliance and legal matters on areas involving initiation of litigation/ arbitration proceedings and settlement.

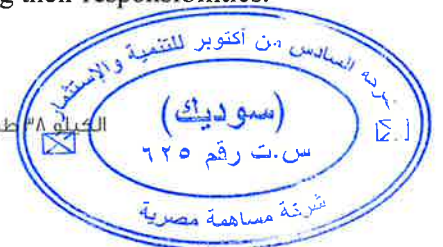
Executive Management:

The Board delegated some of its authority in managerial matters to the Executive Management as outlined in the Management Committee Charter, in addition to management's respective individual authorities as defined in the Delegation of Authority. There are clear differences in responsibilities between the Chairman and the General Manager (GM), as well as clear differences between the delegated authorities to the various Committees of the Board, and the responsibilities delegated to the Executive Management.

Management Committees:

SODIC's Management Committee is established to oversee the day-to-day financial and operational performance of the company and assist the GM in discharging their responsibilities.

Eman Abdel



The following Management Committees and Management Forums have been established to support the General Manager and the Management Committee in achieving its strategic objectives:

- Management Committee
- Investment Committee
- Tender Committee
- Marketing Committee
- Health, Safety and Environment Committee
- Leasing Committee
- Handover Committee
- Customer Centricity Forum
- Sustainability Forum

Each of the various committees and forums is governed by their respective Charter which outlines the mandate and authority of the Committee, the appointment, reappointment and resignation of the members, the size and composition of the Committee, the detailed responsibilities of the Committee, the role of the Chairperson, the functioning of the Committee (including frequency of meetings, voting mechanism, minutes of meetings, etc.) Other management committees will be formed as and when needed.

Management Committee (MC)

The Management Committee is established to take key business and operational decisions on routine basis in line with the strategic and business objectives set by the Board of Directors.

The Management Committee is composed of SODIC's Executive Management and is chaired by the GM, and has delegated authority from the Board to:

- Approve and provide recommendations to the Board and its committees, as applicable, relating to strategic objectives and initiatives, policies, and procedures, corporate and functional KPIs, etc.
- Oversee and manage the key and strategic business operations.
- Review, monitor, and approve capital allocation to SODIC's business segments.
- Set effective and consistent risk management standards.
- Review business plans related to the assets in acquisitions/disposals and other value based.

Investment Committee (IC):

The Investment Committee has delegated authority from the GM to conduct specific responsibilities, including but not limited to the following:

- Establish the Group's Investment Policy and Guidelines
- Approve and monitor strategic investment decisions in line with the strategic and business objectives set by the Board within the limits of the delegated authority.
- Review proposals related to the deployment of SODIC's capital or use of the asset in acquisitions/disposals and other value-based initiatives of the Group.

Eman Gohel

Tender Committee (TC):

The Tender Committee has delegated authority from the GM to conduct specific responsibilities, including but not limited to the following:

- Oversee SODIC's procurement activities to ensure that work, services, and purchases are acquired at the most favorable terms in a fair and transparent manner that is consistent with the delivery and quality required by the company.
- Establish and/or approve additional Tender Committee(s) to ensure timely and efficient decision-making and rigorous procurement governance.
- Review and recommend procurement-related policies and ensure consistent implementation of the policies.
- Review and approve all pre-award, and post-tender activities that fall within the Tender Committee thresholds in the approved DOA.

Control Environment

Internal Control System

The internal control system is the set of policies, procedures, guides and regulations prepared by company's management to protect integrity of assets and ensure efficiency of operations. The system also specifies the different functions, and completely segregates the different duties and responsibilities, which is taken into account in preparing the organizational structure. This is in addition to everything related to the tools or metrics employed in the Company to preserve its assets.

The Board is responsible for establishing SODIC's internal control system, which aims to assess the:

- Company's risk management means and measures.
- Application of and compliance with governance rules
- Compliance with applicable laws and regulations and all internal policies and procedures
- Controls over the financial information used for drafting financial statements.
- SODIC's Management Committee is responsible for developing effective internal controls. Said controls cover all aspects of SODIC's operations, and they include:
 - A comprehensive system of reporting, budgeting, and planning that is approved by the Board and against which performance is monitored.
 - An organizational structure with clearly defined levels of authority and divisions of responsibilities
 - A Code of business Conduct under which the company's business must operate.

Eman G. El

- An annual performance appraisal process for monitoring the quality and competencies of SODIC's personnel.
- Procedures that aim to ensure the complete and accurate accounting and reporting of all assets and operations and to limit the potential exposure to loss of assets or fraud.
- Robust policy and procedures that can help achieve business objectives.
- SODIC's internal controls are designed to provide reasonable, but not absolute, assurance against material loss through providing tools that help manage potential risks of failure. Furthermore, internal controls over financial reporting is annually assessed to ensure their continual adequacy and operating effectiveness.
- The Audit, Risk, and Compliance Committee assists the Board in ensuring that an annual review is conducted on the effectiveness of SODIC's internal controls. The annual review is carried out by the Internal Audit and Compliance functions, and the audit of the financial statements is conducted by the external auditors.
- The Internal Audit and Compliance functions are independent functions that report to the Audit, Risk, and Compliance Committee. Its primary responsibilities include reviewing the effectiveness of SODIC's internal control systems through a schedule of audits (Annual Plan) of the company's processes. The Annual Plan is developed through the prioritization of processes based on an annual risk management exercise, and it is approved by the Audit, Risk, and Compliance Committee.

Internal Audit Department

The Company's internal audit function constitutes an objective and independent activity designed to add value and improve the performance of operations, in order to help the Company, achieve its objectives. The Internal Audit Department adopts a systematic and structured approach to evaluate the internal control tools and systems and the risk management procedures and ensures the proper implementation of the governance rules in relation to all executive, financial and legal activities and departments.

The Internal Audit department is managed by an individual who is devoted on a full-time basis to the role of managing the Internal Audit. The Chief Internal Audit Officer reports functionally to the Audit, Risk and Compliance Committee and administratively to the Managing Director.

The Chief Internal Audit Officer is appointed and dismissed, and his remuneration is determined by a decision of the Managing Director based on a recommendation by the Audit, Risk and Compliance Committee. ARCC sets the objectives, duties and powers of the Internal Audit Department, and submits them to the Board for approval.

The Internal Audit Department's scope of work includes the examination and assessment of the accuracy and efficiency of the internal functional processes and commercial operations.

Eman Gold



This includes the following:

- Assess the accuracy, reliability, timeliness, and validity of the financial, administrative, and operational information, as well as the means used to identify, measure, classify, and prepare reports on, this information.
- Evaluate the means of protecting the company's asset and verify whether the assets actually exist, as appropriate.
- Evaluate the operations, programs or systems to ascertain whether the results are consistent with the achieved objectives, and whether the operations, programs or systems are being planned for as they should be.
- Monitor the compliance of employees with the Company's policies, standards and procedures, and the applicable laws and regulations.
- Evaluate the systems created to ensure compliance with the policies, plans, procedures, laws and regulations that may have a significant effect on the Company.
- Prepare periodical reports on the Internal Audit Department's objectives, powers, responsibilities, and performance, as well as results related to the Internal Audit plan.
- Report on risk exposure and monitoring risks that are of great importance. This includes fraud and other issues the ARCC may require.
- Achieve harmony with the External Audit department to ensure the highest level of efficiency of the audit services at their broadest scope.
- At least once every quarter, the Internal Audit Manager submits a report to the Audit Committee showing the results of his work.

Internal Audit scope and main duties:

Role of Internal Audit Department	Assess the efficiency of the internal control system and submit to the Audit Committee reports of the findings.
	Assess the extent to which all the company's departments adhere to the obligation to perform all the work assigned to them in accordance with the work procedures and policies, and without conflicting with the functions of other departments.
	Assess the efficiency of the set procedures and policies, and their relevance to the work and market developments.
	Follow up the corrective measures taken, addressing the findings in the reports of the internal and external regulatory bodies.
Scope	Financial, operational, and technical activities
Whether it is a permanent department of the Company	Permanent department of the Company

Eman Gohel

or an external private audit company	
Name of the Internal Audit officer/the private external audit company	Mr. Ibrahim Badr Ed-Din
Frequency of reports	Quarterly

Enterprise Risk Management:

The Audit, Risk, and Compliance Committee assists the Board to ensure the effectiveness of the risk management systems and processes established by the company to identify, assess, manage, and monitor financial and non-financial risks.

The annual review of the risk register is carried out by the Risk Management function which falls under the Finance department and presents their reports to the Audit, Risk, and Compliance Committee.

The key strategic objectives of risk management function include:

- Developing enterprise risk management processes.
- Proposing SODIC wide risk appetite and tolerance limits.
- Facilitating the identification, assessment, mitigation, and reporting of key risks (including emerging risks) across the company that could prevent the achievement of the approved strategic objectives.

Compliance Department

The Compliance Department is an independent department reporting to the Group's General Counsel (Legal & Compliance). This role includes identifying, assessing, monitoring, advising, and preparing reports regarding the risks that would result from non-compliance with the laws, regulations and supervisory instructions issued by competent entities, in order to avoid any penalty or damage to the Company's reputation.

The responsibility for developing the policies relating to the Compliance Department lies with the top management. The Board is responsible for approving the said policies, of which all employees must be made aware.

During the year, the Compliance Department, in cooperation with other concerned departments, continuously monitor and ensure compliance of all employees with the binding laws, disciplines, supervisory instructions issued by the competent entities, as well as the Company's governance systems and policies.

Eman Adel

Material Information – Financial & Non-Financial Disclosure

The Company discloses its financial information of interest to shareholders and concerned parties through the various available means. Such information is provided in the Company's annual and interim financial statements and auditor reports, board reports, accounting, and budgets. The annual financial statements are published in two widely circulated daily newspapers in accordance with the law. These are also published on the company's website, and the information is disclosed to ("EGX"), the ("FRA") and the media, through for example, newspapers, websites, and press conferences.

The Company also discloses the non-financial information important to current and potential shareholders and investors, including the following:

- Information on the Company, such as its objectives, vision, business nature, plans and future strategies.
- Ownership structures of affiliates and subsidiaries.
- Dealings with related parties, and related-party transactions.
- Disclosing to shareholders and regulatory bodies the information regarding treasury shares. In the event of a subsidiary purchasing the shares of its holding company, the Company applies to such shares all the treasury share rules. These shares are not counted in the shareholders quorum or during votes at general meetings.
- Notify the FRA and the "EGX" of the EGM and OGM resolutions as soon as a meeting is concluded, and in any event no later than the start time of the first trading session following the meeting. This comes in addition to providing the "EGX" within one week of every general meeting with the meeting minutes, approved by the Chairman of the Board of Directors.
- Provide the "EGX" with the General Assembly meeting minutes certified by the competent administrative authority, within three business days of receiving the certified minutes.
- Provide the FRA and the "EGX" with a summary of the Board resolutions involving material information, no later than the start time of the first trading session following the meeting in which the resolutions are adopted.
- Provide the "FRA" and the "EGX" with a statement approved by the Board showing the most important business results, compared with the corresponding historical period, on the form designated by the "EGX", as soon as the Board approves the annual or quarterly interim financial statements, in preparation for submitting the financial statements to the auditor to issue his report on the financial statements - no later than the start time of the trading session following the meeting.
- Announce the decision of the competent body regarding the cash and/or stock dividend distributions.

Eman Abdel



Penalties and judgments against the Company in 2023: None.

Investor Relations

SODIC is committed to applying the Investor Relations standards in accordance with the applicable laws and EGX & FRA regulations. Such Standards aim to promote the application of best practices for the management of investor relations in SODIC to enable investors to get the most important information and data related to SODIC.

These standards also aim:

- To raise the level of consistency and quality in response to external inquiries from analysts and investors.
- To promote international relations and the link in the market.
- To enhance the level of knowledge of the stakeholders and their understanding of data on SODIC's performance; and
- To find sophisticated structure and more efficient interaction of Executive management with market requirements.

To achieve the abovementioned SODIC is abiding the following standards:

1- Appointed the investor relations team to undertake all the duties relative to managing investor relations, where they meet the following conditions:

- Command of both spoken and written Arabic and English.
- A university degree as well as practical experience in the fields of business, accounting, or investor public relations.
- Familiarity with relevant legal and legislative requirements.
- Full knowledge of the company's activities and potential opportunities.
- Ability to use various means of communication and possession of the skills of communication with investors respecting securities.
- Ability to deliver the company's technical and financial information that may require a specialist to clarify and simplify to investors.
- Ensuring disclosure and transparency requirements are fulfilled, which brings about positive effects on the following:
 - Investors' view of the Company's current performance, and expectations for future performance.
 - The liquidity required for trading the Company's shares on the Stock Exchange.
 - Reduction of the finance cost in the long term.

2- Develop a work plan for the Investor Relations program, by understanding the market and the requirements of the Company. The plan includes the disclosure policy of the Company, the duty to observe all laws, regulations, rules, listing procedures, disclosure requirements,

Eman G. Abdel

- decisions of the FRA and the ("EGX"), organization of the information issued by the Company, and disclosure of the material information in accordance with the applicable disclosure rules, in cooperation with the Company's liaison officers.
- 3- Disclose to financial analysts, current and potential investors, and rating institutions the information regarding the operations and plans of the Company through meetings and conferences, and monitor, and verify the accuracy of, the reports issued about the Company.
 - 4- Communicate with investors through the various contact channels, such as the Company's website and through press releases, and participate in preparing the annual report targeting the current and potential investors.
 - 5- Convey the circumstances of the market to the top management, and deal with the rumors that affect the shares of the Company.
 - 6- Creating a webpage for investor relations on the company's website and updating and maintaining it regularly in compliance with international standards; such webpage shall include data and means of communication with Investor Relations Team (e.g. telephone number and email), all the reports to relevant financial results, whether archived or published, statements of the financial year including dates of publication of financial results statements, minutes of the general assembly's meetings, and any other important events.
 - 7- Publication of the information and data disclosed to the regulatory authorities, markets, or the public, on the company's website; such information and data include, for example:
 - a. News, events, developments, and milestones of the company
 - b. Annual and interim financial statements and reports of the Board of Directors for several past years
 - c. Governance report
 - d. Shareholding structure
 - e. Regularly updated general information on the company's website concerning its activities, business strategies, vision, and future.
 - f. Information of the company's share in terms of the closing price, opening price, highest and lowest prices throughout the year, different values of the share and some financial indicators.
 - g. Enablement of inquiry about shareholders' pending dividends and mechanism of collection of such dividends.
 - h. Contact information of investor relations employee and mechanism of submitting opinions, comments, and inquiries.

Disclosure Tools

Annual Report

The Company issues an annual report in English which includes a summary of the Board report, financial statements, and all other information of importance to shareholders, current and potential investors, and other concerned parties. This report provides information on the Company, its business, and its financial position. It serves as a report by the management to all those concerned with the matters involving the company that took place during the year.

Eman Abdel



The report includes at least the following:

- Statement of the General Manager.
- Vision and target.
- Company Strategy.
- Company history and the most important turning points.
- Ownership structure.
- Top management and Board formation.
- Analysis of the market in which the Company operates.
- Current and future projects.
- Report on social and environmental responsibility.
- The financial performance.
- The Auditor's report and the financial statements compared with the corresponding past periods.

Board Report

The Company issues an annual Board report pursuant to the Company Law (Law No. 159 of 1981) and its executive regulations, and the Listing Rules and their Implementation Procedures. The report is prepared by the Board Compliance Department in cooperation with Investor Relations, and the Finance Department.

1- The report includes the following:

- Discussion of the financial results and material matters.
- The major achievements during the year.
- The main changes in the Company's administrative structure.
- Board formation and the number of the Board meetings held.
- Board committees' formation and the number of committee meetings held.
- The average number of employees and average salary for the year.
- Employee reward and incentive policies.
- The matters that took place regarding the related-party agreements concluded the previous year, and the related-party agreements proposed for the following year.
- Report on the Company's observance of corporate governance and social and environmental responsibility.
- The conflicts of interest cases reported between the company and its insiders that require disclosure to the Company's Board of Directors.

2- The Company prepares a quarterly Board report on the Company's business and results.

Eman Gadel

Disclosure Report

The Company issues a quarterly disclosure report prepared according to the disclosure form contained in the Listing Rules and their Implementation Procedures. The report is prepared by the Board Compliance Department and Investor Relations. A copy of the report is sent to the ("EGX"). The disclosure report includes the following:

- The Company's contact details.
- The names of the Investor Relations officers and their contact details.
- Structure of the shareholders possessing 5% or more of the shares.
- Overall shareholding structure, specifying the free float shares.
- Details of the treasury shares, if any.
- Changes in the Board, and the last formation of the Board.
- Formation of the Board committees.

Corporate Governance Report:

SODIC issues the Annual Corporate Governance Report on the company's corporate governance practices pursuant to the Company Law (Law No. 159 of 1981) and its executive regulations, and the Listing Rules and their Implementation Procedures. The report prepared by Board Compliance Department which indicates the extent of the company's commitment to corporate governance principles. The Corporate Governance Report is signed by the Chairman and submitted to FRA and EGX on an annual basis.

Sustainability Report:

SODIC annually publishes its comprehensive GRI assured Sustainability Report prepared by the company's Marketing and Sustainability Sector. The report addresses the UNGC Principles and presenting our contribution to the Sustainable Development Goals (SDGs).

This report presents SODIC's operations and achievements in 2022, with specific focus on key material issues that set the foundation for a new transformational approach in SODIC's ESG undertakings, indicators, initiatives, and strategic decisions.

The second Sustainability Report highlights specific data and forward-looking plans - where applicable - to ensure that SODIC impacts are identified through the lens of projected global challenges, as well as the local context of the countries and regions where the company operates.

The report largely follows the latest GRI Standards of 2021, with reference to a number of global real estate benchmark frameworks, including GRESB, TCFD WorldGBC Health & Wellbeing, SASB, among others.

While the main objective of reporting is to provide SODIC stakeholders with ample information about our ESG performance and impacts through reliable and comparative data, developing this report also had its own set of strategic objectives. Steered by SODIC's management, preparing

Eman Gohar

this report also aimed to enhance the employees' capabilities and knowledge of ESG practices and goals. It also aimed to involve them in the development and improvement of ESG indicators in efforts to further integrate sustainability into the company's culture and operations.

The report focuses on SODIC's sustainability governance as a vital component in safeguarding our stakeholders' interests and securing the fundamental principles of transparency, accountability, continuity, and resilience through a set of roles and responsibilities, rules and policies, and—above all—through leadership and a culture of care and duty based on reliable impact assessments.

Sustainability Approach

At SODIC, we do not just build for the present; we build for generations to come. We believe sustainability means a better future for everyone, and that belief is embedded in all our decisions. We strive for our corporate citizenship to be an example for others to follow. Our sustainability approach drives our future, shaping our strategy and leading innovation. This increases our profitability, in both the short and the long runs, and brings prosperity to our communities and society at large.

A Global Citizen

SODIC is an active player in Egypt's Sustainable Development Strategy (SDS) 2030. Our compliance with applicable laws, internally developed guidelines that fit the Egyptian context, and voluntarily adopted international standards showcases our commitment to the safety and well-being of our employees, our customers and society at large.

As signatories to the United Nations Global Compact (UNGC), we fully support all its principles. We also support the United Nations Sustainable Development Goals (SDGs) that address pressing global challenges, especially those that apply to SODIC and Egypt. The SDGs that SODIC contributes to the most are ending poverty, zero hunger, good health and well-being, quality education, gender equality, affordable and green energy, decent work and economic growth, sustainable cities and communities, industry innovation and infrastructure and partnerships for goals.

Website

The Company has a website in Arabic and English, through which financial and non-financial information are displayed in a user-friendly way. The site is updated continuously. It is easy to use as a means of communication with the Company, which makes sure to respond to all messages and inquiries received.

Codes and Policies

Code of Ethics and Professional Conduct

The Company has an internal code of ethics and professional conduct. The code involves a set of values that controls and organizes ethics and professional conduct in the Company, which reinforces the Company's reputation and credibility.

Eman Control



Succession Planning Policy

The management adopts a policy for recruitment, selection, and promotion. This policy is implemented by the Human Resources Department. It ensures securing the best candidates for the positions they fit. At the same time, it encourages the professional development of existing employees under a comprehensive strategy that includes continuous training plans. According to this strategy, employee annual training plans announced. There are also other plans in place to incentivize competent and high-performing employees, and therefore retain them.

This is in addition to the career path planning that ensures succession of authority, which represents added value to the Company and maintains its sustainability.

Whistleblowing Policy

SODIC adopts a whistleblowing policy for reporting violations and complaints. The policy provides for dealing with violations and complaints according to the internal procedures the Company applies. It aims to encourage employees, contractors, or third parties to report any act that breaches the code of ethics or the law whether internal or external incidents that may adversely affect Sodic or its employees. Thus, honesty and integrity are reinforced in all activities. Total secrecy is guaranteed and reporting a violation should be substantiated by objective documents and/or information.

The Company seeks to act proactively and decisively to avert any unethical conduct, negligence, or illegal activity (if any). The aim is to enable genuine reform and strengthen the principles of justice and transparency. The Company aims to avoid any potential damage to its business or name in the market. These procedures create a safe channel that keeps confidential the information of the whistleblower. They encourage voicing any suspicion of, for example, any unethical conduct, illegal act, corruption, violation of internal policies or rules, breach of laws or regulations, fraud, or threat to public rights.

Insider and Related-Party Dealing Policy

An insider may deal in the Company's shares only according to the Company's insider dealing policy that is announced to all employees. The policy has been developed in accordance with rules set by supervisory bodies. The policy includes the following:

- Neither an insider nor their related group may deal in any securities issued by the Company during the five days preceding, and the day following, the publication of any material information.
- A shareholder that owns, either alone or through their related group, 20% or more may not deal before they have notified the "EGX".
- Neither the Company's Board members, irrespective of their shareholding size, nor managers, officers, or any person that has access to information not available to others that may affect the price of a security, may purchase or sell this security (to which the information is related).

Eman

The Insiders Trading on the Company's shares took place during 2023: None

Social and Environmental Responsibility

SODIC is committed to sustainability and incorporates the key principles of environmental, social responsibility, and corporate governance in setting its business strategies and operation.

SODIC's sustainability purpose is to create a business culture where sustainability is at the heart of everything we do, and where the concept of sustainability informs the way we operate, collaborate, innovate, and grow. SODIC's Sustainability & CSR Strategies and Policies are managed through an effective governance structure which includes commitment from the Board level to individual employees.

The Company aims to meet all social, environmental, and corporate responsibilities imposed by the jurisdictions in which it operates. To this end, SODIC is working to integrate environmental and social considerations into the decision-making and operational practices. This assists the Company in understanding the impact (direct and indirect) created by its operations. Ultimately this leads to better decisions and improved business performance, adding value to the Company's business by reducing risk, improving operational efficiency, as well as creating a great place to work.

SODIC – as a leading real estate developer in the Egyptian market - is committed to its responsibility to plays an effective role in achieving real and tangible human development that benefits the Egyptian citizen in vulnerable communities, while affording real opportunities.

SODIC adopts a group of societal development initiatives that contribute to improving the living conditions of over 9000 beneficiaries annually. This comes out of SODIC's belief in a set of essential principles, such as turning attention to youth by supporting educational initiatives, the development and updating of informal settlements, creating job opportunities, empowering women, and protecting children's rights, considering the general-meeting resolutions concerning donations.

Eman Coud

Deputy Chairman



Osama Abdulmonem Mahmoud Saleh

Date: 5 /2/2024



شركة السادس من أكتوبر للتنمية والاستثمار - سوديك ش.م.م

الكيلو ٣٨ طريق القاهرة / الإسكندرية الصحراوى، الشيخ زايد، جيزة، مصر - ص ب ١١٩ الشيخ زايد

تليفون: ١٦٢٢٠ أو ٢٠٢٣٨٢٧.٣٠٠ فاكس: ٢٠٢٣٨٢٧.٣٠١

sodic.com