

Elsewedy Electric S.A.E

Corporate governance report for the period ending 31/12/2024

Corporate info

Company Name	Elsewedy Electric		
Company Purpose	The company's purpose is to establish and operate a factory for the production of electrical cables, electrical poles, towers, transformers, electrical circuit breakers, and all accessories for connections or terminations for insulated and non-insulated copper and aluminum conductors at low, medium, and high voltage, and to produce plastic granules (PVC) in its various forms and derivatives, and to design, construct, manage, operate, and maintain generating stations. Electricity from various sources and distribution networks.		
Company's term	25 years	EGX listing date	18/5/2006
Company's law	No. 72 for year 2017	Par value	EGP 1
Authorized Capital	5,000,000,000	Issued Capital	2,140,777,876
Paid up Capital	2,140,777,876	No. and date of commercial register	
IR	Noha Agaiby		
Head office address	Plot 13C03 - Cairo Festival City- Fifth settlement- New Cairo - Cairo		
Telephone No	27599700/701	Fax	27599731
Website	www.elsewedyelectric.com		
E-Mail	Noha.Agaiby@elsewedy.com		

Shareholders General Assembly

Shareholders Structure

Holders of 5% or more of the company's shares	The ultimate beneficiary	Number of shares	%
Sadek Ahmed Sadek Elsewedy	Sadek Ahmed Sadek Elsewedy	534,980,391	24.99%
Ahmed Ahmed Sadek Elsewedy	Ahmed Ahmed Sadek Elsewedy	534,980,391	24.99%
Mohamed Ahmed Sadek Elsewedy	Mohamed Ahmed Sadek Elsewedy	385,602,690	18.01%
ELECTRA INVESTMENT HOLDING RSC LTD	ELECTRA INVESTMENT HOLDING RSC LTD	436,109,503	20.37%
Total		1,891,672,975	88.36%

Board of Directors

No.	Board Member Name	Title	No. of Shares	Joining Date	Representation Entity
1	Sadek Ahmed Sadek Elsewedy	Non- Executive Chairman	534,980,391	1/6/2005	None
2	Ahmed Ahmed Sadek Elsewedy	Chief Executive Officer	534,980,391	1/6/2005	None
3	Mohamed Ahmed Sadek Elsewedy	Executive Member	385,602,690	14/12/2005	None
4	Amr Mohamed Ahmed Labib	Executive Member	None	1/6/2005	None
5	Abdelrahman Ahmed Ahmed Sadek Elsewedy	Executive Member	11,876,729	17/1/2017	None
6	Ahmed Saad Eldein Abdou Abou Hendia	Independent Member	None	22/10/2017	None
7	Ahmed Sadek Ahmed Sadek Elsewedy	Non- Executive Member	5,761,215	22/10/2018	None
8	H.E Mariam Mohamed Saeed Almheiri	Non- Executive Member	436,109,503	19/12/2024	ELECTRA INVESTMENT HOLDING RSC LTD
9	Azza Ahmed Sadek Elsewedy	Non- Executive Member	64,916,280	4/4/2021	None
10	Shahinaz Nabil Amin Foda	Independent Member	None	10/10/2021	None

Mr. Sherif Samy Ebada submitted his resignation in his capacity as Elsewedy Independent Board Member on 19/12/2024 and the Board approved the appointment of Her Excellency/ Mariam Almheiri as a representative to Electra Investment Holding RSC TLD.

Chairman

The Chairman of Elsewedy Electric – Mr. Sadek Ahmed Sadek Elsewedy- heads the Board and in doing so he represents a pivotal role in creating the conditions for the overall and individual Board effectiveness.

Responsibilities of the Chairman:

- Heads the board and ensure its effectiveness in order to create value for the shareholders.
- Ensure that sufficient time is allowed for discussion of complex or contentious issues and when necessary arrange for informal meetings beforehand to enable thorough preparation for the Board discussion. In addition to Ensuring that the interest of shareholders is represented in the discussions and decisions taken by the Board of Directors.
- Monitor the effectiveness of the Company's governance practices and introduce modifications, when necessary.
- Chair the Board and set its agenda, taking full account of the issues and the concerns of all members and encourage active engagement by all BOD.
- Ensure that members receive accurate, timely and clear information, notably about the Company's performance, that will enable the Board to take sound decisions.
- Ensure a properly constructed, formal and tailored induction program for new board members that shall be implemented by the Board Secretary.
- Recognize the strengths and address the weaknesses of the Board and, where appropriate, propose the appointment of new members and/or dismissal of others.
- Developing relationships with all external parties that the company deals with, such as major current and potential shareholders, government agencies, prominent figures and institutions in society, and financial and banking sector departments.
- Any other responsibilities vested to him by the Board.

The Chief Executive Officer (CEO)

Elsewedy Electric Executive team is led by the Chief Executive Officer, Eng. Ahmed Ahmed Sadek Elsewedy. The CEO is accountable for the supervision and management of the day-to-day operations in an effort to steer profitability in accordance with the policies, strategies and objectives set in agreement with the Board.

Responsibilities of the Chief Executive Officer:

- Act as chief spokesman on behalf of the Company for external communication linked with government authorities and media Bodies.
- Responsible and accountable to the BOD for managing a long-term profitable operation.
- Propose the Company's strategic plan.
- Responsible to assure the business continuity and management succession.
- Formulate, with the executive management, clear business and financial strategies and policies that will result in increasing the Company's value.

- Oversee the operational and commercial plans with the executive management which will underpin the business strategies and policies.
- Formulate, with the executive management, clear social and environmental policies and develop an effective management structure to ensure that Elsewedy Electric is aware of and discharge its social and environmental responsibilities.
- Lead the Elsewedy Electric Executive team on the basis of actual performance against set targets and ensure through remedial action, as appropriate, that the goals, strategies and policies set are achieved.
- Recommend plans related to executive management on overall remuneration and incentives programs.
- Report regularly to the Board on the performance of the business so that the BOD can measure performance against the policies, strategies and objectives.
- Keep the Chairman informed of all matters and respond effectively to the BOD requests for assistance in matters related to the Company's business.
- Searching for new investment opportunities or acquisitions to push the company for growth. Board Secretary.

Board Secretary

The Secretary of the Board of Directors is Ms. Noha Louis Agaiby and her specific role and responsibilities are according to the Egyptian Guide to Corporate Governance issued by the Center of Directors:

- Responsible to advise the Board, the Chairman and the CEO on all governance matters in addition to being a source for any requested information.
- Organize BOD meetings in accordance with procedures established through governance framework or, as elsewhere, stipulated by the Board.
- Ensure proper cascading of Board decisions/requests to Management.
- Assist Management to ensure that BOD requirements are clearly understood and appropriately communicated.
- Identify items that require BOD approval including new investment, new companies, debt level, new projects, etc...
- Follow up on Board requirements and provide status report to the Board on quarterly basis
- Ensure that, where appropriate, a legal review has been undertaken.
- Prepare, under the direction of the Chairman, minutes of Board and Committee proceedings and ensure consistency, appropriateness of recorded decisions and issues with broader implications.
- Act as a channel of communication and information for Elsewedy Electric shareholders, BOD, Chairman, CEO and executive management.
- Facilitate effective shareholders and/or BOD participation in key corporate governance decisions and ensure that agreed voting procedures are strictly followed.

Board of Directors Committees

The company explains in the following table the formation of the Board of Directors committees, along with a statement of cases of merging the competencies of some committees with each other:

No	Board Member Name	Committee Name					Title	Joining Date
		Audit committee	Title	Compensation committee	Title	governance committee		
1	Sadek Ahmed Sadek Elsewedy	*	Member	*	Committee Chairman	None	Non-Executive Member	1/6/2005
2	Ahmed Ahmed Sadek Elsewedy			*	Member		Executive Member	1/6/2005
3	Ahmed Saad Eldein Abdou Abou Hendia	*	Committee Chairman	*	Member		Independent Member	14/11/2017
4	Shahinaz Nabil Amin Foda	*	Member				Independent Member	10/10/2021

Board of Directors and its committees

A schedule for monitoring BoD meetings attendance

No.	Board Member Name	Board of Directors	Audit committee	Compensation committee
1	Sadek Ahmed Sadek Elsewedy	8/8	4/4	1/1
2	Ahmed Ahmed Sadek Elsewedy	8/8		1/1
3	Mohamed Ahmed Sadek Elsewedy	7/8		
4	Amr Mohamed Ahmed Labib	8/8		
5	Abdelrahman Ahmed Ahmed Sadek Elsewedy	8/8		
6	Ahmed Saad Eldein Abdou Abou Hendia	8/8	4/4	1/1
7	Ahmed Sadek Ahmed Sadek Elsewedy	6/8		
8	H.E Mariam Mohamed Saeed Almheiri	-/-		
9	Azza Ahmed Sadek Elsewedy	5/8		
10	Shahinaz Nabil Amin Foda	8/8	4/4	

Mr. Sherif Samy Ebada submitted his resignation in his capacity as Elsewedy Independent Board Member on 19/12/2024 and the Board approved the appointment of Her Excellency/ Mariam Almheiri as a representative to Electra Investment Holding RSC TTD.

Audit, Compliance and Risk Committee

The latest Structure of the Audit, Risk and compliance Committee:

Name	Representation Entity
------	-----------------------

Ahmed Saad Eldein Abdou Abou Hendia	Committee Chairman
Sadek Ahmed Sadek Elsewedy	Member
Shahinaz Nabil Amin Foda	Member

Audit, Compliance and Risk Committee Responsibilities:

1. Financial Reports

Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:

- Complex or unusual transactions and highly judgmental areas.
- Major issues regarding accounting principles and financial statement presentations, including any significant changes in the group's selection or application of accounting principles.
- Review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative IFRS methods on the financial statements.
- Review with management and the external auditor the results of the audit, including any difficulties encountered. This review will include any restrictions on the scope of the external auditor's activities or on access to requested information, and any significant disagreements with management.
- Discuss the annual audited financial statements and quarterly financial statements with management and the external auditor, in addition to related announcements to the group's financial performance.
- Discuss earnings press releases. This review may be general (i.e., the types of information to be disclosed and the type of presentations to be made). The Committee does not need to discuss each release in advance.

2. Internal control

Review the adequacy, and effectiveness of the group's internal controls, with the group's Chief Internal Auditor (CIA), the group's Chief Financial Officer (CFO), and any other relevant parties. Including whether the group's management is communicating the importance of internal controls, evaluating the security of the computers' systems and applications, and any contingency plans for recovering the financial and other information in the event of a breakdown in the company's information systems.

3. Internal audit

- Review and approve the internal audit charter.
- Review with the group's CIA the preparation, execution, and results of the group's annual internal audit plan, as well as any activities conducted outside the annual plan.
- Review with the CIA and then report to the Board about the adequacy of the charter, plans, activities, staffing, and organizational structure of the internal audit department.

- Ensure that the Internal Audit Department maintains its independence and there are no unjustified restrictions or limitations on the Internal Audit scope of work.
- Review the effectiveness of the Internal Audit department, including compliance with The IIA's International Standards for the Professional Practice of Internal Auditing.
- Review and approve the appointment and change of the Chief Internal Auditor and annually review the performance of the Internal Audit Department.

4. External audit

- Review the external auditors' proposed audit scope and methodology, including coordination of the audit works with the internal audit.
- Review the external auditor's terms of service and notify the board of directors and the General Assembly with the committee's recommendations regarding the fees and the terms of service that will be provided by the External Auditor.
- An annual evaluation of the company's external auditor's qualifications, independence, and performance, and to submit a report to the Board of Directors and the General Assembly of the company's shareholders with the opinion of the committee regarding the independence and performance of the external auditor. The report shall include the committee's recommendations regarding the reappointment or dismissal of the company's external auditor. In case the Board of Directors does not agree on the evaluation and recommendations of the committee, the committee must submit its report to the general assembly of shareholders and to include it in its meeting agenda.
- Review the issues and obstacles that the company's external auditor encountered while performing his duties in the group, including any restrictions on the scope of work or the accessibility to the information or the people, or any disputes with the company's management or members of the internal audit department or the financial control department.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors that clarify the relationships between the auditors and the company, its management, its shareholders, or any of its affiliates including providing non-audit services, and to discuss the relationships with the company's External Auditors.
- Regularly, meet separately with the External Auditors to discuss any matters that the Committee or Auditors believe should be discussed clandestinely.
- Review in advance the terms of all non-audit services proposed by the company's management to be performed by the External Auditor, assess such services in accordance with the company's policy regarding the independence of the External Auditor, and to report to the Board the Committee's opinion as to whether or not the company should engage the External Auditor to perform such services.

5. Compliance

Review the compliance control system's effectiveness with internal and external laws and regulations and the results of management's investigation and follow-up (including disciplinary actions) of any cases resulting from non-compliance or fraud.

Ensure that procedures are in place to:

- Receive, retain, and process the received complaints/cases related to accounting matters, internal control procedures, or audit-related matters.
- Confidential or anonymous reporting by employees regarding suspicious cases related to accounting or auditing.
- Review the results of any audits conducted by regulatory bodies and any observations by auditors.
- Reviewing the process of spreading the rules of the ethical code of conduct to the company's employees, and monitoring compliance with it.
- Obtaining periodic updates from management and the company's legal advisor regarding compliance issues.

6. Reports preparation responsibility

- Regularly report to the Board of Directors about Committee activities and issues that arise concerning the quality or integrity of the company's financial statements, the company's compliance with laws or regulatory requirements, the performance and independence of the company's External Auditors, and the performance of the Internal Audit Department.
- Provide an open channel of communication between the Internal Audit, the External Auditor, and the Board of Directors.
- Submitting an annual report to the company's shareholders, specifying the composition and responsibilities of the committee and how it is implemented, and any other information required.
- Review any other reports that the company issues that are related to the committee's responsibilities.

7. Risk management responsibility

- Establishing the executive frameworks, procedures, and rules approved by the board, which are necessary to deal with all types of risks that the company may face, such as strategic, operational, market, credit risks, reputational, information systems, data

protection and all other types of risks that may arise. This would affect the company's activities and sustainability.

- Assisting the Board of Directors in defining and evaluating the level of risks that the company can accept and ensure that the company does not exceed this risk limit.
- Supervising and verifying the effectiveness of the company's risk management in implementing the work assigned to it, and to ensure that it is performing its duties adequately within the limits of its assigned competencies, as well as ensuring the independence of the risk management employees from the company's executive management.
- Preparing a periodic report on the results of the committee work and recommendations to be presented to the Board of Directors for necessary action.

8. Other responsibilities

- Perform other activities related to committee's charter based on a request from the company's Board of Directors.
- Review and evaluate the adequacy of the committee's charter annually, requesting board approval for proposed changes, and ensure disclosure in an appropriate manner in accordance with the requirements of rules and laws.
- Annual confirmation that all responsibilities outlined in the committee's charter have been carried out.
- Reviewing with the company's management and any other parties, according to the committee's vision, the details of any investigations, audits, or inquiries made by a public regulatory authority regarding the implementation of the company's activities or preparing the company's financial statements and submitting a report to the board of directors with the evaluation results.
- Review the programs established by the company's management to monitor compliance with the code of business ethics and conduct for the top management, and the employees.
- Review any management decision to seek a second opinion from Independent External Auditors other than Elsewedy Electric Group and its subsidiaries' External Auditors regarding any significant accounting matters.
- The committee shall conduct an annual performance evaluation itself based on the committee chairman's recommendation.

The committee submits at least quarterly reports directly to the company's Board of Directors. The company's Board of Directors and the relevant parties should respond to the committee's recommendations within fifteen days from the date of notification. The Committee Chairman should notify the stock exchange and the Financial Supervision Authority in case of failure to respond within sixty days to the fundamental observations that are submitted to the board.

Other committees

Compensation and remuneration committee

The latest structure for the compensation and remuneration committee:

Name	Representation Entity
Sadek Ahmed Sadek Elsewedy	Committee Chairman
Ahmed Ahmed Sadek Elsewedy	Member
Ahmed Saad Eldein Abdou Abou Hendia	Member

Committee responsibilities:

Purpose of the Compensation and Remuneration Committee is:

1. Nominations, compensation and benefits of members of the Board of Directors:

- Identify and present candidates to the Board of Directors for approval to fill vacant positions on the Board when needed.
- Periodically review the remuneration paid to independent members of the Board of Directors and make recommendations to the Board of Directors regarding any proposed amendments;

2. Employee compensation and benefits:

- Developing general company policies regarding employee compensation and employee benefits programs.
- Review and submit recommendations to the Board of Directors for approval when needed, as well as any changes in the company's pension, savings, and end-of-service compensation programs plans, if any.
- Review and issue recommendations for any changes to the company's employee compensation system and/or stock options plan, if any.
- Reviewing the group's employee bonus plans.

3. Executive management compensation and benefits:

- Developing general company policies regarding compensation programs and benefits for sector heads. This includes: base salaries, annual incentives, long-term incentives, benefits and executive bonuses.
- Providing recommendations to the Board of Directors regarding all CEO/Managing Director remuneration plans. These plans must include base salary, annual incentives, long-term incentives (if applicable) and benefits.
- Review and recommend to the Board of Directors on objectives related to annual and long-term incentives.
- After the end of the fiscal year, the committee expresses its opinion on whether the objectives of the heads of other sectors have been achieved or to what degree they have been achieved, if possible.

4. Development and career succession plan for executive management:

- The committee shall review and make recommendations to the Board of Directors regarding the succession plan for sector heads.

The Control System

Internal control system:

The company implements internal control systems, which includes the regulations governing the work of the various departments, including:

- Achieving complete segregation of duties and authorities of all company's employees.
- Applying the latest technologies to ensure the accuracy and the quality of the information, and to achieve the control over the company's activities.
- Identifying the job description for all the company's employees within the organizational structure in the various departments and sectors.
- Ensuring the accuracy and the quality of the information, that provides the company or the others with correct and accurate information about the company.
- Protecting the company's physical assets from the risks to which they may be exposed, and documenting and recording those assets in the company's records.
- Increasing the company's production efficiency and achieving its goals at the lowest costs and with the same quality.
- Ensuring the accurate implementation of the instructions, to ensure that all instructions are carried out as they should be.
- Ensuring the application of the corporate governance rules, through careful implementation of various governance instructions and rules.

Internal audit department:

The internal audit department of Elsewedy Electric Company is an independent and objective department, whose goal is to add value and to improve the performance of the company's operations in the manner that helps to achieve the company's objectives by adopting a systematic and organized approach, that aims to evaluate the means and systems of the internal control and the risk management procedures in the holding company and the subsidiaries, and to ensure the proper implementation of the governance rules with regard to all executive and departments and the financial and the legal activities.

The internal audit department's scope of work includes measuring the effectiveness of the risk management, Internal Control, and Governance procedures implemented by the company's management through the following:

- Reviewing the integrity and credibility of the company's financial and operational data, and the methods used to define, measure, classify, and display these data.
- Reviewing the implemented systems to ensure the compliance with plans, procedures, regulations, rules, and laws related to the company's activity, which may have a major impact on the company's activities and data.
- Reviewing the mechanism for safeguarding the company's assets.
- Review and evaluate the efficiency of employing the company's various resources.
- Reviewing the company's activities and programs to ensure they achieve their planned goals.

The internal audit department is headed by the chief internal auditor at Elsewedy Group, who reports functionally to the audit committee and administratively to the Group CEO.

Examples of the functional reporting to the audit committee include:

- Approval of the internal audit department's charter.
- Approval of the annual audit plan for the Internal Audit Department.
- Appointment and dismissal of the Chief Internal Auditor and determining his financial compensation.

The Internal Audit Department's charter identifies the objectives, Authorities, responsibilities, and work standards of the Internal Audit Department, which are approved by the CEO and Chairman of the Audit Committee, that include the following:

- The Chief Internal Auditor appointment and dismissal, and his financial compensation to be determined based on the recommendation of the Audit Committee, and the CEO will then issue the decision based on it.
- An audit plan is prepared annually, that includes the group companies and departments that will be covered in the audit process, based on the results of the risk assessment of these companies in addition to any inputs from the company's management regarding the risks or the applied control procedures. The plan is presented to the Audit Committee for discussion and approval and is then approved by the Chairman of the Board of Directors.
- The Internal Audit Department carries out the tasks included in the approved audit plan. In case of any urgent assignment requested by the company's management, they should be presented to the Audit Committee for approval before being conducted.
- The Chief Internal Auditor submits a quarterly report to the audit committee that shows the implementation status of the audit plan, the implemented assignments, the key recommendations proposed for enhancing the company's internal control systems, and the obstacles that the internal audit work team encountered during the performance of their work.

The role and scope of work of the Internal Audit Department:

Internal Audit role	scope of work	Is it a permanent function in the company or a private external audit company?	Name of the internal audit official/or private external audit firm	Reports Frequency
Financial audit	Internal control procedures that ensure the accuracy and completeness of the financial statements of the holding company and the group companies.	Permanent Function	Mr. Mohamed Khalil	<ul style="list-style-type: none"> ▪ A report is issued after each task is completed. ▪ A consolidated report is issued with the most important observations and recommendations to be presented to the audit committee at the end of each quarter.
Operational Audit	The efficiency and effectiveness of operational activities and related control procedures in the holding company and group subsidiaries.			
Compliance Audit	Evaluating the extent of Compliance of the holding company's departments and group subsidiaries with the applicable procedures and policies, regulations and laws.			
Information systems Audit	Reviewing the information systems implemented in the holding company and group subsidiaries to ensure their suitability to the company's activities and the efficiency and effectiveness of the control procedures applied.			

<p>policies and procedures Audit</p>	<p>Reviewing the policies and procedures applied by the holding company and group subsidiaries, to ensure their suitability to the nature of the company's activity and to evaluate the efficiency of the control procedures stated on them, in addition to ensuring the segregation of the incompatible duties.</p>			
<p>Follow-up visits</p>	<p>Follow up on the implementation of the recommendations proposed in the audit reports and discuss any obstacles that occurred during the implementation phase.</p>			

Compliance department:

Within the framework of Elsewedy Electric's commitment to implement local and international rules and laws, the company has established a compliance department that operates on a group level. It is a completely independent department that reports functionally and declaratively to the Audit, Risk and compliance committee, while it reports administratively to the Managing Director. The Compliance Department identifies, evaluates, advises and provides recommendations on the risks of non-compliance practices with laws, regulations, and regulatory instructions issued by various authorities, to avoid the company's reputation loss or exposing it to penalties resulting from non-compliant practices.

The mission of the Compliance Department is to prevent the company from engaging in any fraudulent activities and to detect any violations of laws and regulations. Providing advice on business ethics, and promoting - in partnership with senior management and other business partners - a culture of integrity and commitment, through awareness sessions for employees on how to adhere to internal rules and procedures.

The Compliance Department's scope of work includes - but not limited to:

- Continuously updating the company's internal systems and policies to keep pace with the ongoing updates of international laws and standards, which includes improving and developing the company's general framework and work principles through the Code of Ethics and Business Conduct, Third Party Code of Conduct, Anti-Corruption Framework, Fraud Control Policy, Conflicts of Interest policy for all company employees and Whistleblowing Policy as well as Integrating laws and regulations within company policies.
- Testing Procedures for verifying and reviewing customer and business partner database.
- Extending awareness tips about compliance protocols to all employees of the group.
- Leveraging transparency, clarity, and fairness concepts in dealing with all shareholders
- Overseeing the Group's compliance protocol with relevant laws, regulations, and company policies, including reviewing the implementation and management's assessment of the effectiveness of the Group's compliance protocols.
- Reviewing the Group's strategy, risk identification results, assessment and mitigation plans for global risks that the Group may face.
- Reviewing current global and emerging legal and regulatory updates and enforcement trends that may impact the Group's business operations, performance, or strategy.

Governance:

The company is committed to working to implement governance rules in accordance with best practices through the Board of Directors to ensure the best protection and balance between the interests of the Board of Directors, the company's managers, its shareholders, its employees, and other stakeholders.

Commitment to governance standards is included in the company's legal department policy, which includes obligating all departments in the company to those standards.

Risk management:

The company's Board of Directors is generally responsible for risk management. It is responsible for developing a strategy to determine the risks that the company may face and how to deal with them, as well as the level of risks acceptable to the company.

The Board of Directors approved the establishment of the risk management department in 2023. As of Q4 2023 the Group Compliance Department was restructured, and it has been decided to include the risk management scope to be part of the Group Compliance with a dedicated headcount for the role who will be hired according to the company's needs during 2024.

The role will report directly to the Audit, Risk and Compliance Committee of the Board of Directors. The committee will assume the following responsibilities:

- Analyzing the risks to which the company may be exposed, in coordination with the company's executive management.
- Determining the risk appetite that the company can accept based on the size of the various risks that the company may face, depending on their impact and the extent to which they can be realized.
- Developing a risk policy and specific indicators to measure, follow up and monitor the risk surrounding the company.
- Evaluating the applicability and effectiveness of policies with regard to measuring and monitoring risks, and conducting any required adjustments according to the dynamic market and business environment surrounding the company internally and externally.
- Ensuring the availability of appropriate and effective information and communication systems regarding the process of monitoring risks.

Financial auditor:

The company appointed an auditor from the biggest audit offices, who works completely independently. The auditor does not have a working relationship with the company and is independent of its internal management.

The auditor shall be independent from the company and the members of its board of directors, and shall be appointed by a decision of the company's general assembly, with his annual fees determined.

The auditor attends the company's annual general assembly meeting.

Disclosure and transparency

Material information and financial and non-financial disclosure

The company discloses through the Egyptian Stock Exchange the company's financial information that is of interest to shareholders, such as its annual and periodic financial statements, the auditor's annual and periodic reports, as well as the board of directors' report and dividends.

The company also discloses any material information in accordance with the law and the registration rules and procedures.

The company also discloses its annual financial statements in two daily newspapers in accordance with the law.

Issued fines against the company during the year, according to the following table:

Violations and fines imposed on the company during the year	Disclosures
Financial regulatory Authority: Fine for late submission of financial statements	Settlement took place

Investor relations:

Elsewedy Electric is always keen to update data and information of interest to investors. It always takes the initiative to communicate with them to enhance the transparency approach that the company follows in managing its business, as the Investor Relations Department communicates with current and future shareholders.

The company is also subject to Egyptian disclosure requirements, and is also committed to submitting annual and quarterly financial statements that are prepared in accordance with Egyptian accounting standards, in addition to notifying the Egyptian Stock Exchange and the Financial Supervision Authority of any developments or fundamental events that occur to the company, as well as providing the regulatory authorities of the Egyptian Stock Exchange with the minutes of the general assembly meeting. Regular and extraordinary for the company.

- Communicating market views and investors' concerns to the Board of Directors on an ongoing basis.
- The Investor Relations Department develops a strategy for the year's program, which includes organizing promotional campaigns.
- Create and follow up an investor database.
- Organizing investors' visits to the company's various factories.
- Preparing the disclosure report required from the company and preparing the investor relations pages on the company's website and updating them on an ongoing basis.
- Organizing the information issued by the company in accordance with applicable disclosure rules.
- Communicating with investors through various communication tools such as the company's website.
- Publishing invitations to general assembly meetings, the annual budget, dividend distributions, and the annual board of directors' report.

Disclosure tools

Board of Directors report

Elsewedy Electric issues an annual report in accordance with the provisions of Companies Law No. 159 of 1981 and its executive regulations, for presentation to the General Assembly of shareholders and regulatory authorities.

Disclosure report

Elsewedy Electric Company issues a quarterly disclosure report prepared by its Investor Relations Department, which includes at least the following: (a sample disclosure report from the Board of Directors and the shareholder structure in implementation of Article 30 of the listing rules)

- Company contact information.
- Investor Relations Officer and his contact information.
- Structure of shareholders who own 5% or more of the company's shares.
- The total shareholder structure, showing free float.
- Details of the company's treasury shares.
- Changes in the company's board of directors and the latest formation of the board.
- Forming committees emanating from the Board of Directors.

Sustainability report

Sustainability has become one of the core pillars of Elsewedy Electric, and starting in January 2017, all new employees are given training courses on the benefits and importance of sustainability. It is important to instill these values in new employees while current colleagues get the same.

Employees are informed about Elsewedy Electric's obligations.

- Health, safety and environment policies.
- Reducing your carbon footprint.
- Recycling.
- purchase management.
- Project and program cycle management.
- Sustainable investment.
- Sustainable corporate social responsibility.
- Decent work and sustainable development.

Website

The company has its own website in Arabic and English. It is updated with published information on an ongoing basis, and the site includes all disclosure data, the company's financial statements, essential news, trading prices on the stock, an introduction to the company, and key data that may interest the shareholder.

www.elsewedyelectric.com

Charters and policies

Charter of ethics and professional conduct

The company's management believes that the main reason for success is integrity in our various dealings with customers, suppliers, and government agencies. Commitment to the highest standards of professional conduct has been and will continue to be the basis for performing our work, and these standards have been instilled and rooted throughout the company.

The Code of Business Conduct provides strict standards for each of us in our dealings with our agents, customers, suppliers, political entities and others.

The Code of Business Conduct reaffirms and provides further guidance on policies that form an integral part of the business philosophy of Elsewedy Electric Group of Companies.

Compliance with the rules of professional conduct is the responsibility of every employee at Elsewedy Electric and its subsidiaries and a condition for continuing work there. It will be managed uniformly across the company and independently of the practices of other companies. Compliance with this policy will remain the concern of the company's management, and is subject to periodic review by the Internal Audit Department of Elsewedy Electric Group of Companies.

<https://www.elsewedyelectric.com/media/4474/employee-code-of-conduct.pdf>

Succession planning

Whistleblowing

Because we believe that our employees are our most valuable assets, we always encourage all employees to report any potential inappropriate/illegal business practices or conduct, or any action that may be considered unethical.

We guarantee to our employees – if desired, the anonymity of their identity when reporting any violation that requires the intervention of the Group Compliance to investigate the incident. Employees can report violations by one of the following ways:

- Via the 'Speak Up' tool for reporting violations [Link](#) or
- Via an email to the Group Compliance; Email to compliance-int@elsewedy.com

Continuously updating the company's internal systems and policies to keep pace with the continuous updates of international laws and standards, which includes improving and developing the general framework and work principles of the company through:

- Code of Ethics and Business Conduct [Link](#)
- Third Party Code of Conduct [Link](#)
- Anti-corruption and money laundering policy [Link](#)
- Fraud control policy [Link](#)
- Policy to avoid conflicts of interest for all company employees [Link](#)
- Whistleblowing policy [Link](#)

-
- Policy for insider trading and related parties [Link](#)

The company implements procedures and restrictions for internal transaction in the company's shares and regulates relationships with related parties

The following schedule shows insiders' transactions in the company's shares

No.	Name	No. of shares	Bought shares during the year	Sold shares during the year	Balance at year end
1.	Amr Mohamed Ahmed Labib	84,500	0	84,500	0
2.					
3.					

Social and environmental responsibility policy

The company's policy of supporting social and environmental responsibility is explained in the sustainability report published on the official website of the United Nations 2030 Program.

<https://www.unglobalcompact.org/what-is-gc/participants/128851-Elsewedy-Electric->

Community development

Social Responsibility:

- Elsewedy Electric aims to encourage all employees to contribute to improving the conditions of their surrounding communities in parallel with strengthening the company's business to ensure its ability to grow sustainably, in light of the company's belief that social responsibility is not limited to providing donations and charitable works only, but rather extends to include considering the social dimension. The company's actions on the surrounding communities and ensure the common benefit of all relevant parties. The company also believes in the importance of the role that all institutions must play in helping communities overcome the various challenges they face, including providing food, quality education, clean water, and health care services, in an effort to improve the conditions of society and contribute to ensuring a better future for future generations. Charitable work may contribute to alleviating financial burdens and solving a number of other problems in the short term, but improving the conditions of society and improving its livelihood in the long term requires launching initiatives and actions with a positive, sustainable return.

- Hence, Elsewedy Electric is committed to adopting the best corporate social responsibility practices that ensure that the economic, environmental and social dimensions of all the company's work and projects are taken into account, as it has allocated EGP 100 million to develop and enhance its activities at the level of social responsibility.
- Elsewedy Electric is working to achieve the seventeen sustainable development goals while establishing a sound framework for the core values it adopts in a way that enables it to contribute to improving the conditions of the communities surrounding its business. The company also pays great attention to the importance of strengthening its communication with employees as it is the driving force behind bringing about tangible positive change, which is reflected in the social responsibility department's keenness to communicate with employees about the company's latest developments in terms of social responsibility activities, in addition to raising awareness of the best sustainability practices, through bulletins. Quarterly and guidance letters communicated via email. These bulletins contribute to raising awareness of the social responsibility activities and sustainable development initiatives in which it participates. They also address a group of prominent issues and topics such as water conservation practices, rationalization of energy consumption, and car sharing for transportation. The company's offices and headquarters also include many billboards aimed at encouraging the adoption of sustainable practices and other guidance tips to enjoy a healthy and safe life.
- On the other hand, the company believes that teamwork and institutional volunteering are one of the means of enhancing belonging to society, as the company provides its employees with opportunities to participate in a group of volunteer programs, including food distribution programs, blood donation campaigns, visiting orphans, and other charitable work, noting that the company provides these opportunities in its factories. In Egypt and Slovenia.

United Nations Global Compact Initiative

- Elsewedy Electric is one of the participating members of the Egyptian network of the United Nations Global Compact Initiative, as the initiative plays an important role in defining the company's responsibilities towards society and aligning its work with ten internationally agreed upon standards in the fields of human rights, labor, environment, and anti-corruption.

Contributing to improving the quality of education

- Elsewedy Electric established Elsewedy Technical Academy in 2011 under the supervision of the Ministry of Education. The academy specializes in offering a three-year secondary training program that provides vocational training compatible with the latest international standards in the main electrical industries. The academy adopts the German system in providing all vocational training programs, which is based on applying a dual approach that combines learning within the academy and training in the company's factories.

- The academy's vision is to consolidate its position among the most prominent leading institutions in providing vocational training programs around the world and to become the most prominent contributor to removing the obstacles facing vocational education in Egypt and the region, while its mission is to provide the best innovative educational programs that focus on developing the skills of all... Students, in addition to preparing an artistic community that includes the most skilled members and qualified professionals to participate in implementing various projects on the local and international arenas. The Academy has succeeded in reaping the benefits of the German education system, which is based on combining academic education and vocational training on the ground, as it has significantly contributed to reducing the transitional period that graduates go through between completing the Academy program and filling various jobs required by the labor market.

El Sewedy Technical Academy - Egypt

Elsewedy Technical Academy was established with the aim of contributing to finding practical solutions to overcome the following challenges:

- Weak education and vocational training programs in the Egyptian market
- Following traditional methods in technical education and training
- The current shortage of skilled workers in the field of electrical industries
- High prices for vocational training programs for students
- The spread of globalization and the attraction of workers from abroad
- Increased reliance on information and communications technology and the Internet in carrying out all work

Key financial indicators for the company:

Sector	2024	2023	Percentage change (+ / -)
Cables	137 189 798 892	82421265314	66%
Electrical products	23 870 588 700	16282178230	47%
Construction products	70 921 447 985	53 482 804 001	33%
Total revenues	231 981 835 577	152 186 247 545	

Elsewedy Electric's business portfolio includes 5 main business sectors:

1. Wires and cables: wires, cables, wire coils, special cables, cable supplies, high voltage lines, fiber optic cables and insulators.
2. Electrical products: transformers and fiberglass.
3. Construction (electrical and civil): for power generation, transmission and distribution projects, civil construction, public works and water treatment plants.

4. Smart infrastructure: energy management solutions, communications networks, data center solutions, and government solutions.
5. Investment in infrastructure: development of industrial and logistics projects and investment in energy, water and facilities management projects.

Elsowedy Electric's long list of regional and international clients and its distinguished history of work with regional government entities and industrial giants in the world represent a global testimony to the company's exceptional quality, speed in performance and accuracy in providing services.

On the other hand, Elsowedy Electric owns various factories in 31 countries, employing more than 17,000 employees, and the group exports its products to more than 110 countries around the world. Therefore, Elsowedy Electric is one of the leading companies in the world of electricity and energy around the world, through the advanced and environmentally friendly technological solutions it provides that are characterized by superior quality and cost efficiency. The company also operates in a wide geographical scope and enjoys a strong presence in the Middle East and Africa region.

Elsowedy Electric focuses on energy sector services based on its strong capabilities and capabilities in providing integrated energy solutions, in addition to the superior production capabilities of the company's wires and cables sector, whose annual capacity reaches 280 thousand tons.

The energy transmission and distribution sector at Elsowedy Electric represents one of the most important leaders in the Egyptian market, as it has a long record of achievements and quickly implemented projects, in addition to its clear footprint in 17 countries in the Middle East and Africa, such as Angola, Egypt, Ethiopia, Ghana, Kuwait, the United Arab Emirates and Zambia.

Legal representative of the company

Name: Mr. Sadek Ahmed Sadek Elsowedy

Date: 12/3/2025

Signature:

Company's stamp

