

Egyptian Gulf Bank Governance Report For the Year 2025

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1- The Company's Data

Company name	Egyptian Gulf Bank		
Objective	Operating all banking and financial services and operations authorized for commercial banks, investment banks, and business banks in accordance with Law No. 43 of 1974 as amended, and Law of the Central Bank and the Banking Law No. 194 of 2020.		
The Company's term	30 years	Reg. date in the stock exchange	17/11/1983
The company's governing laws	Law No. 43 of 1974 Law No. 159 of 1981 Law No. 194 of 2020 (Central Bank of Egypt and Banking Law)	Nominal value per share	One USD
The last licensed capital	USD 800 million	The last issued capital	USD 510,106,066
The last paid capital	USD 510,106,066	Commercial Register No. & date	No. 88502 29/01/1991
Contact Person	- Ibrahim Abaza - Assem Al-Adly - Magdy El-Sayed Salam		
Head Office	No. 45, Street No. 90 North, Fifth Settlement, Cairo		
Phone numbers	02/37498236 Mobile: 0100777-7194	Fax numbers	02/37498744
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1.2 - Ownership Structure

Holders of 5% and above of the company's shares	No. of shares on the financial statements	%
Misr Insurance Company	56,172,331	%11.01
Misr Life Insurance Company S.A. E	46,232,413	%9.06
Bukhamseen Holding Group Company K.S.C. Closed	50,680,078	%9.94
Kuwait Barari Trading Company	28,792,318	%5.64
Total	181,877,140	36.65%

1.3 - Related Parties

Related Groups	Final Beneficiary	No. of shares as of 31/12/2025	%
Misr Insurance and Misr Life Insurance Group	Misr Insurance Holding	102,404,744	%20.07
Mohamed Mahmoud family Group	Mohamed Mahmoud family	100,297,345	%19.66
Sharbatly family Group	Sharbatly family	38,381,193	%7.52
Bakhsh family Group	Bakhsh family	35,907,313	%7.04
Shobokshi family Group	Shobokshi family	17,657,053	%3.46
Al-Naeem Holding Company for Investments Group	Al-Naeem Holding for Investments	31,578,412	% 6.19
Bukhamseen Group	Bukhamseen Holding Group	100,791,889	%19.76
Total		427,017,949	% 83.70

2-The Board of Directors: -

2.1- Formation of the Board

S	Name	Title	No. of held shares	Joining date	Representing
1	Raed Jawad Ahmed Bukhamseen	Chairman of the Board - Non-Executive	50,680,078	18/03/2024 as per the Assembly elections & was elected as Chairman on 18/03/2024	Bu Khamseen Holding Group -
2	Nidal Al-Qasim Mohamed Assar	Deputy Chairman and CEO - Executive	1,308,086	18/03/2024 as per the Assembly elections	Executive BOD Member
3	Mohamed Abdelaal Mohamed Khalaf Allah	Board Member - Non-Executive	3,328,082	18/03/2024 as per the Assembly elections	The Egyptian Company for Liner and Flooring Paper Production
4	Jassim Hassan Zainal	Board Member - Non-Executive	17,626,011	18/03/2024 as per the Assembly elections	Arab Real Estate Company
5	Mohamed Mehran Tayeh**	Board Member - Non-Executive	56,172,331	18/03/2024 as per the Assembly elections	Misr Insurance Company
6	Sherif Mohamed Farouk	Board Member - Non-Executive - Independent - with experience	--	18/03/2024 as per the Assembly elections	Board Member - non-executive - independent - with experience
7	Wael Fouad Jamjoom	Board Member - Non-Executive - with experience	--	18/03/2024 as per the Assembly elections	Experienced non-executive - Board member
8	Ahmed Farouk Weshahi	Board Member - Non-Executive	--	18/03/2024 as per the Assembly elections	Non-executive Board member –
9	Ibtisam Mahmoud Ali *	Board Member - Non-Executive	46,232,413	18/03/ 2024as per the Assembly elections the decision of the Board on 20-02-2025	Misr Life Insurance Company
10	Assem Abdel Hamid Al-Jazzar	Board Member - Independent - with experience	--	As per the Board of Directors' decision on 20-2-2025 and CBE approval on 2-7-2025	Board Member - Non-Executive - with experience
11	Hind Muhammad Abu Al-Futouh	Board Member - Non-Executive – Independent	--	As per the decision of the Board on 10-9-2024 and CBE approval on 8-1-2025 Approval of the Ordinary General Assembly 20-2-2025	Independent BOD Member

S	Name	Title	No. of held shares	Joining date	Representing
12	Amr Mohamed Tawfik Bakir	Board Member - Non-Executive	13,695,741	As per the Board of Directors' decision on 20-05-2025 and CBE approval on 23-7-2025	MLM FOUNDATION

** Mr. Mohamed Mehran Tayeh's term as representative of Misr Insurance Company on the Board of Directors ended on November 19, 2025, and a new nomination is pending.

*Pending CBE Approval

2.2- Board of Directors of the Egyptian Gulf Bank:

- EG Bank Board of directors is composed of an appropriate mix of skilled experienced executive, non-executive and independent members selected by the General Assembly for three years. Board Members select a non-executive Chairman from its members in accordance with local regulations
- Board of directors is primarily responsible for setting the Bank's strategy, as well as supervising the performance of the executive management. This enables BOD to ensure the achievement of its objectives & ensure that the Bank is managed in accordance with an approved strategy. The Board is also responsible for approving clear risk policy that ensures compliance with all local regulations, as well as ensuring the effectiveness of the Bank's internal control system to ensure the stability of the Bank and the preservation of its reputation.
- There is a full separation between Chairman & Chief Executive Officer roles & responsibilities as per local regulations and their roles are approved by BOD as per BOD terms of reference.
- EG Bank Board of directors conduct an annual self-assessment, members evaluate their own performance, as well as the performance of the Board and its committees. In addition, there are mutual evaluations among all members of the Board, including the Chairman. The evaluation covers adherence to assigned tasks and identifies necessary measures to improve the efficiency of Board members. The results of this evaluation and the proposed actions are submitted to the Central Bank of Egypt.

2.3- Chairman of the Board:

The Chairman of the Board is the person responsible for optimal management of the Board's performance and development. He is also responsible for taking all necessary measures to ensure that the Board fully carries out its responsibilities and functions, and to ensure that Board members are aware of their role and responsibilities in accordance with Laws and related regulations and ensuring segregation of duties with executive managements.

• Chairman Roles & Responsibilities:

- Ensure that all BOD decisions are taken based on proper and adequate information and a follow up mechanism to its execution is in place.
- Encouraging discussion and active participation by all members, especially non-executive members, and allowing the expression of disagreement during decision-making process.
- Ensuring the Board's commitment to carry out its duties fully in the interest of the Bank and its clients, and working to manage conflicts of interest.
- Providing adequate opportunity for non-executive members to follow up on the performance of senior management.
- Inviting executives to attend BOD meetings when needed which strengthens the relationship between BOD & executives
- Ensuring that the necessary information is provided in a comprehensive, accurate and timely manner to Board members and shareholders.
- Ensuring the effective performance of the Board and its committees as per governance standards.
- Ensuring that all Board members conduct a self-assessment annually as per local regulations in coordination with GRC & CG Department.

- Inviting the Board of Directors to convene on a regular basis in accordance with the Bank's Articles of Association and related local regulations.
- Coordinating with senior management and the Board Secretariat regarding the Board's agenda.
- Ensure that an induction program is provided for new Board members to ensure they carry out their roles & responsibilities effectively in coordination with GRC & CG Department.
- Ensure that an annual training plan is available to develop the technical skills of Board members, especially members from outside the Banking sector in coordination with GRC & CG Department and Human Resources Division.

2.4 - Board Secretary

Bank's Board of Directors Secretariat has the appropriate qualifications and specifications to fulfill the responsibilities of this Division. Their role is not limited to attend and record minutes of Board meetings, but also it includes the following:

- **Duties and responsibilities of the Board Secretary:**
 - Preparing for BOD meetings and drafting the agenda, while providing the necessary information and details and sending them to board members well in advance of the meeting
 - Preparing meeting minutes, signing them and sending them to members of the Board for review – whether they attend in person or participated via communication tools. Additionally, keeping & preserving meeting recordings using a dedicated recording device that ensures the security of the recordings, and storing them within the Bank records for an appropriate period in accordance with Bank's policies, legal requirements, and applicable regulatory controls.
 - Presenting BOD meeting minutes & its committees in their subsequent sessions for approval, ensuring that a copy of the minutes is submitted to the Central Bank of Egypt within one month from the date of the meeting (In Arabic)
 - Ensuring that all members receive the necessary documents and the meeting agenda in case of virtual participation.
 - Recording the number of BOD meetings held during the year, documenting attendance, and noting whether attendance was in person, via telephone, or video conferencing, while ensuring compliance with applicable laws.
 - Monitoring the implementation of the BOD's decisions in accordance with the established mechanism for this purpose and presenting this item at the beginning of all BOD meetings
 - Preserving and documenting data and documents related to the Board's decisions and the topics presented to the Board, ensuring their availability to Central Bank of Egypt.
 - Coordinate with all division heads to present their Business achievements to the Board.
 - Coordinating with all Board committees to ensure effective communication between them and the Board.
 - Providing appropriate channels for effective communication and the timely, accurate exchange of information between the board members and senior management.
 - Ensuring that board members are aware of any new supervisory or legal responsibilities resulting from changes in the bank's operations, activities, or the legal & regulatory framework governing it.
 - Providing necessary information about the Bank to new members and assisting in arranging their orientation program.

- Documenting the discussions & recommendations of each member during board & committee's meetings in detail, while recording the names of attendees (Board members or others) in the meeting minutes

3- Board of Directors Committees:

3.1 – BOD Committees Composition during 2025:

1- Audit Committee

S	Name	Title (non-executive / independent)	Membership	Joining date
1	Ahmed Farouk Ali Weshahi	non-executive	Chairman / Member	His membership ended on 9/9/2025
2	Wael Fouad Issa Jamjoom	non-executive	Member	His membership ended on 6/5/2025
3	Dr. Sherif Mohamed Farouk	non-executive / independent	Member	- He Joined the Committee on 10/12/2023, and was renewed on 18/03/2024. - He was elected as Committee's Chairman on 6/5/2025
4	Hind Muhammad Abu Al-Futouh	non-executive Independent	Member	- She joined on 6/5/2025
5	Amr Mohamed Tawfik Bakir	non-executive	Member	- He joined on 9/9/2025

2 - Risk Committee

S	Name	Title (non-executive / independent)	Membership	Joining date
1	Mr. Jassim Hassan Ali Zainal	Non-executive	Chairman	He joined the Committee on 15/07/2019, and his membership in the Committee was renewed on 07/03/2021. He was elected as Chairman of the Committee on March 31, 2022, and was renewed on 18/03/2024.
2	Dr. Sherif Mohamed Farouk	Non-executive / independent	Member	He joined the Committee on 24/01/2023, and was renewed on 18/03/2024.
3	Mr. Mohamed Mahran Taie	Non-executive	Member	His membership ended on 19/11/2025
4	Mr. Wael Issa Jamjoom	Non-executive	Member	He joined on 9/9/2025
5	Mr. Mohamed Abdelaal Mohamed Khalaf	Non-executive	Member	He joined on 9/9/2025

3- The Remuneration and Esop Committee:

S	Name	Title (non-executive / independent)	Membership	Joining date
1	Mr. Raed Jawad Bukhamseen	Non-executive	Chairman	He joined the Committee on 15/07/2019, and his membership in the Committee was renewed on 07/03/2021. He was elected as Chairman of the Committee on March 31, 2022, and was renewed on 18/03/2024 till date
2	Mr. Mohamed Abdelaal Mohamed Khalaf	Non-executive	Member	He joined the Committee on 31/03/2022, and was renewed on 18/03/2024.
3	Dr. Sherif Mohamed Farouk	Non-executive / independent	Member	He joined the Committee on 10/12/2023, and was renewed on 18/03/2024. His membership ended on 9/9/2025
4	Assem Abdel Hamid Al-Jazzar	Non-executive / independent	Member	He joined on 9/9/2025

4- Governance and Nominations Committee:

S	Name	Title (non-executive / independent)	Membership	Joining date
1	Mr. Raed Jawad Bukhamseen	Non-executive	Chairman	He joined the Committee on 15/07/2019, and his membership in the Committee was renewed on 07/03/2021. He was elected as Chairman of the Committee on March 31, 2022, and was renewed on 18/03/2024 till date.
2	Mr. Ahmed Farouk Ali Weshahi	Non-executive	Member	He joined the Committee on 15/07/2019, his membership was renewed on 07/03/2022 and on 31/03/2022, and on 18/03/2024 till date.
3	Mr. Mohamed Mahran Taie	Non-executive	Member	- He joined the Committee on 10/12/2023, and was renewed on 18/03/2024. - His membership ended on 6/5/2025
4	Mr. Wael Fouad Jamjoom	Non-executive	Member	- He joined on 6/5/2025 - His membership ended on 9/9/2025
5	Mr. Amr Mohamed Tawfik Bakir	Non-executive	Member	- He joined on 9/9/2025

5- Legal Committee

S	Name	Title (non-executive / independent)	Membership	Joining date
1	Mr. Ahmed Farouk Ali Weshahi	Non-executive	Chairman	Committee was established on 9/9/2025
2	Dr.Assem Abdel Hamid Al-Jazzar	Non-executive / independent	Member	Committee was established on 9/9/2025
3	Mr. Mohamed Mahran Taie	Non-executive	Member	- Committee was established on 9/9/2025 - His membership ended on 19/11/2025 due to resignation

3.2 - Meetings of the Board of Directors and its committees:

3.2.1- Schedule for monitoring the attendance of Board members at Board meetings:

S	Member's name	No. of attended times	Notes
1	Mr. Raed Jawad Bukhamseen	13/13	
2	Mr. Nidal Al-Qasim Assar	10/13	Related to meetings without the executive Board members, in accordance with governance instructions
3	Mr. Jassim Hassan Ali Zainal	13/13	
4	Mr. Wael Issa Jamjoom	13/13	
5	Mr. Ahmed Farouk Weshahi	13/13	
6	Mr. Mohamed Abdelaal	13/13	
7	Sherif Mohamed Farouk	13/13	
8	Mohamed Mahran Taie	11/13	His membership ended on 19/11/2025
9	Hind Muhammad Abu Al-Futouh	13/13	
10	Assem Abdel Hamid Al-Jazzar	7/13	He joined on 2/7/2025
11	Amr Mohamed Tawfik Bakir	7/13	He joined on 23/7/2025

3.2.2- Follow up Schedule for the attendance of Members of Board committees:

1- The Audit Committee:

S	Member's name	No. of attended times	Notes
1	Mr. Ahmed Farouk Weshahi	9/13	His membership ended on 9/9/2025
2	Mr.Wael Fouad Issa Jamjoom	5/13	His membership ended on 6/5/2025
3	Dr. Sherif Mohamed Farouk	13/13	
4	Mr.Hind Muhammad Abu Al-Futouh	8/13	She joined on 6/5/2025
5	Mr.Amr Mohamed Tawfik Bakir	4/13	He joined on 9/9/2025

2- Risk Committee

S	Member's name	No. of attended times	Notes
1	Mr. Jassim Hassan Ali Zainal	10/10	
2	Dr. Sherif Mohamed Farouk	10/10	
3	Mr. Mohamed Mahran Taie	9/10	His membership ended on 19/11/2025
4	Mr. Mohamed Abdelaal	2/10	He joined on 9/9/2025
5	Mr.Wael Fouad Issa Jamjoom	2/10	He joined on 9/9/2025

3- The Remuneration and Esop Committee

S	Member's name	No. of attended times	Notes
1	Mr. Raed Jawad Bukhamseen	6/6	
2	Mr. Mohamed Abdelaal	6/6	
3	Dr. Sherif Mohamed Farouk	4/6	His membership ended 9/9/2025
4	Dr.Assem Abdel Hamid Al-Jazzar	2/6	He joined on 9/9/2025

4- Governance and Nominations Committee

S	Member's name	No. of attended times	Notes
1	Mr. Raed Jawad Bukhamseen	5/5	
2	Mr. Ahmed Farouk Ali Weshahi	5/5	
3	Mr. Mohamed Mahran Taie	4/5	His membership ended on 19/11/2025
4	Mr.Wael Fouad Issa Jamjoom	1/5	- He joined on 6/5/2025 - His membership ended on 9/9/2025
5	Mr.Amr Mohamed Tawfik Bakir	2/5	He joined on 9/9/2025

5- Legal Committee

S	Member's name	No. of attended times	Notes
1	Mr. Ahmed Farouk Ali Weshahi	1/1	Committee has been created on 9/9/2025
2	Assem Abdel Hamid Al-Jazzar	1/1	Committee has been created on 9/9/2025
3	Mr. Mohamed Mahran Taie	0/1	- Committee has been created on 9/9/2025 - His membership ended on 19/11/2025

3.3 - Duties and responsibilities of the Board of Directors committees:

1- The Audit Committee:

- **Composition**

- The EGB Board of Directors shall issue a resolution to form an Audit Committee comprising three non-executive directors, to be appointed by the Board. The Chairman of the Committee shall be an independent non-executive director who shall not chair any other committee.
- The necessity of having appropriate expertise and ensuring the required balance of skills, knowledge, and sufficient familiarity with financial matters, auditing, and accounting.
- With the approval of the Central Bank of Egypt Governor, an external expert may be appointed to the committee.

- **Committee meetings frequency:**

- The Audit Committee shall meet at least once every three months. The meetings shall be attended by the external auditor, upon the invitation of the Chairman or at the request the external auditors. The Committee may consult with any relevant expert. The Chairman shall present meeting minutes and recommendations to the Board of Directors for consideration.
- The Head of Internal Audit and Inspection may request a meeting of the Audit Committee if, in their judgment, such a meeting is necessary.
- Internal Audit Head and Chief Compliance officer (CCO) attend the Committee's meetings.

- **Roles & Responsibilities**

- Approve the nomination of Chief Audit Executive (CAE) and Chief Compliance officer (CCO) prior obtaining Central Bank of Egypt approval, Furthermore, the committee oversees both sectors, concerning the integrity of control systems, Both CAE & CCO report directly to the Audit Committee, which subsequently submits these reports to the Board of Directors
- Assess and document the reasons for approving the resignation, termination, or dismissal of Chief Audit Executive (CAE) and Chief Compliance officer (CCO).
- Submit quarterly report outlining the performance outcomes of the relevant sectors, engaging in discussion with Board of Directors, and identifying the corrective actions to be implemented promptly
- Discuss topics deemed necessary with the heads of internal audit and compliance, as well as other stakeholders and external auditors.
- Review quarterly and annual financial statements prior to presenting them to the Board of Directors for approval.
- Review financial statements prepared for publication, ensuring CBE regulation compliance.
- Review, approve, and monitor annual plans for Internal Audit and Compliance sectors
- Review Internal Audit reports, including those on bank internal control adequacy.
- Review Compliance reports, focusing on regulatory and AML/CFT breaches.
- Review of reports related to the experience, training, and qualifications of employees in both the Internal Audit and Compliance sectors
- Assess challenges faced by internal audit and compliance functions, proposing recommendations for overcoming them.
- Reviewing and presenting Internal Audit and Compliance policies to the Board of Directors for approval
- Ensures compliance with CBE regulations and any corrective actions needed

- Conducting annual performance evaluations for both the Head of Internal Audit and the Head of Compliance, submitting the results to the Board of Directors, and linking these evaluations to annual compensation, bonuses, and increments
- Reviewing and submitting the organization structure and roles of Internal Audit and Compliance to the Board of Directors for approval
- Reporting to the Board of directors the CBE control & supervision sector findings as well as those related to the financial statements along with their recommendations and conduct close follow up to their closure
- Evaluate any legal proceedings or measures that could potentially affect the bank financial position.
- Reviewing the customer rights protection unit reports, evaluating proposed actions, and supervising their implementation upon approval.
- Reviewing periodic reports on reported violations and misconduct cases, evaluating the reporting system and ensuring the protection of whistleblowers.
- proposes the nomination and appointment of external auditors, determining their fees, or considering changes to either, all in compliance with the regulations of the CBE, the Accountability State Authority, and any other relevant regulations
- Fostering collaboration between internal and external audit teams, ensuring seamless communication among the Head of Internal Audit, external auditors, the Board of Directors, and the Audit Committee.
- Reviews and approves the scope and nature of external audits, and oversees the implementation of Bank accounting policies.
- Review the external auditors' observations included in their reports on the bank's financial statements and other reports submitted to the bank during the year, and present them to the Board of Directors along with the committee's recommendations. Ensure that the bank takes timely corrective actions, including addressing deficiencies and weaknesses in the internal control system and non-compliance with applicable policies and laws.
- May request any information necessary to carry out its duties, and the executive management shall provide such information accurately and clearly.
- Provide its opinion on authorizing external auditors to provide services to the bank other than financial statement audits, including the estimated fees for such services. The committee shall also ensure that these services do not conflict with the financial statement audit or compromise the independence of the external auditors.
- Annually assesses the external auditors' independence and reviews their annual independence declaration
- Discuss any instances where former employees of the external auditors are employed by the bank.
- The Committee, in coordination with the Risk Committee, reviews the paragraph included in the Bank's annual report related to internal control and the risk management framework.
 - Ensuring that the compliance and internal audit function has the appropriate independence, resources, and tools to effectively carry out its role and achieve its objectives.
- The committee may seek external legal counsel or independent expert advice at the bank's expense, provided that the Board of directors is notified within a reasonable timeframe.
- The committee reviews and monitors the status of addressing Findings and recommendations raised in reports issued by regulatory authorities, external auditors, internal audit, and compliance functions. It also assesses the adequacy of the executive management's response to the risks identified in these reports.

2- Risk Committee

• Composition

- Committee is composed of odd number of members not less than 3.
- The majority are non-executive—members in accordance with the Central Bank of Egypt governance circular dated on 9/2024.

• Committee meetings frequency;

- The Risk Committee should hold one Meeting every three months at least. The Chief Risk Officer is invited to attend all committee meetings, and has the right to express his opinions and recommendations without a voting right.

• Duties and responsibilities of the Committee

- Helping the Board of Directors to determine and evaluate the level of acceptable risks in the Bank by submitting risk recommendations and acceptable risks (Risk Appetite) to the Board of Directors for approval, and ensuring that the Bank does not exceed this level
- Recommending appointing Chief Risk Officer (CRO) to BOD before obtaining the approval of CBE as well as accepting their resignations with justified reasons. In cases of resignations and termination of service, committee has to be informed of the justified reasons & submit to BOD for approval
- Approve Risk Policies & Procedures & ensures full implementation by senior management
- Reviews Key risk reports submitted by CRO
- The committee presents periodic quarterly reports to the Board.
- Reviewing Risk organizational structure including their main roles and responsibilities
- Making recommendation to BOD on risk appetite & risk management policies & ensures risks are within the acceptable limits set by the Board (Capital adequacy, credit risk, operational risk, market risk, information risk and all other risks the Bank is exposed to)
- Ensures submission of risk appetite report (including assessment of all risks) quarterly including any corrective actions taken for BOD approval
- Review stress testing reports quarterly before presenting it to BOD for approval
- Ensures that Risk Division periodically reviews securities collateral register for credit facilities and determines measures to be taken in case collateral values drop & report to be presented annually to the committee
- Annual performance evaluation for CRO and link it to their fixed and variable payments
- Reviewing all findings raised by internal or external audit related to risk and ensures corrective action plans are taken on due date
- Ensure the independence of risk division employees

3- The Remuneration and Esop Committee:

• Composition

- The Remuneration and Esop Committee of Egyptian Gulf Bank is composed of three non-executive Board members. The majority whom, including the Chairman are non-executive and Committee Chairman is preferable to be an independent non-executive member.in accordance with the Central Bank of Egypt governance circular dated on 9/2024.

- **Committee meetings frequency;**

The Remuneration and Esop Committee must hold a minimum of 1 meeting annually.

- **Duties and responsibilities of the Committee:**

- The committee is responsible for presenting its rewards recommendations for Executive Board members covering all financial transactions, including salaries, allowances, monetary benefits, ESOP, retirement & end of service bonuses, and any other item that has financial nature, and the recommendations have to consider the bank's objectives and strategies and its risk acceptance level, and the committee is responsible for presenting the recommendations to the Board of directors for approval.
- The committee is responsible for reviewing the internal control functions (Risk, Compliance, and Internal Audit divisions) in terms of financial transactions in general, as well as the reward strategy that is determined based on performance evaluation and their functions achievements, without prejudice to their independence.
- The committee shall analyze the results of salaries studies and review the salaries positioning versus the average market peer group to ensure the bank's ability to attract and retain talents, with the possibility of seeking the support of the Head of the Human Resources Division and inviting her/him to attend committee meetings.
- The committee is responsible for establishing a clear and documented policies regarding salaries and rewards, which are reviewed periodically and re-evaluated in line with the level of risks to which the bank is exposed, with an explanation of the principles relied upon, and the Board of directors must approve & disclose those policies, including disclosure of the top twenty employees in total compensation people with highest amounts of bonuses and salaries across the bank, provided that this includes salaries, allowances, in-kind benefits, ESOP, and any other elements of a similar financial nature.
- Taking into consideration the bank's long-term objectives when proposing salary and rewards policies, especially not linking the rewards of the bank's senior management official to short-term objectives only.
- Proposing allowances, bonuses and other benefits for non-executive Board members approved by the General Assembly, and ensure that they are not rewarded by monthly or annual salary or through shares or variable payments. The Bank's Board of Directors determines salaries, bonuses, allowances and other benefits for executive members.
- Determining the size of variable pay, with the possibility of setting a maximum limit for them, and the method of distribution among Bank's Division's.
- For employees whose roles have a significant impact on the level of risks, their variable pay should reflect the level of the Bank's performance and the risks it is exposed to, and should be determined periodically for a period not exceeding one year, and disbursed in accordance with the performance measurement standards specified by the Bank.
- The bank must have a salary and rewards system, taking into account the following:
 - Establish a clear salary and rewards policy that is in line with the Bank's long-term strategic objectives and is approved by BOD, provided that it includes the basis for distributing annual profit share to employees, taking into account that the resigning employees receive their share of the profits distributed over the period in service at the bank.

- Policy should include a mechanism for determining monetary / non- monetary benefits and rewards for members of the Board of Directors and the CEO and link it to the bank's performance during a specific period of time.
- Wages and rewards should be linked to performance measurement elements during a specific period of time, while ensuring that bonuses are not granted in the event that the acceptable limits of risks in the bank are exceeded.
- Refraining from paying bonuses to employees who have committed serious violations or intentional fundamental cases.
- Determine bonuses and allowances for both the Chairman of the Board of Directors and non-executive Board members independently and objectively, taking into account limiting the size of the variable payments allocated for the fiscal year in the event of losses.
- Set the rules for granting employees stocks.
- If rewards are granted in the form of shares or equity, they must be according to job level, with a minimum tenure.

4- Governance and Nominations Committee:

- **Composition**
 - The Governance and Nominations Committee of Egyptian Gulf Bank is composed of three non-executive Board members
- **Committee meetings frequency:**
 - The Governance and Nominations Committee should hold at least two meetings semi-annually
- **Roles & Responsibilities**
 - Periodic evaluation of the Bank's governance Framework.
 - Recommendation for governance policy
 - Approval of annual governance report to be submitted to BOD for final approval and a copy to be sent to Central Bank of Egypt
 - Review governance standards in Bank annual report
 - Review and follow up on regulatory audit findings correction action plans
 - Ensure and keep BOD self-assessment forms
 - Make recommendation to the Board on the nominations of independent Board members.
 - In addition, recommendation on the appointment, renewal and exclusion of any Board member based on their annual evaluation.
 - Review reports on frequency of BOD meetings and its committees as per regulations
 - Reviewing the induction program and training programs to Board directors
 - Reviewing Succession plan before presenting it to the BOD for approval.
 - In case that the Chairman of the Board is a member of the Committee, he must not attend the Committee meeting in which the proposed candidate is nominated to succeed him in the event that he leaves his position for any reason, in order to avoid any conflict of interest.
 - Define the criteria, skills and experience for the appointment of Board Directors & senior management
 - Reviewing all Board of Directors committees' term of references to ensure that governance standards are being followed and implemented

- Review policies related to governance for example; conflict of interest and special treatment policies
- Ensure independence of independent Board members and ensuring there is no conflict of interests in case of being a Board member of other companies

5- The Legal Committee:

▪ Committee Composition

- Is composed of three Non-Executive Directors selected by the Board. It's preferred that the Committee Chairman possesses relevant legal expertise.
- The composition must ensure appropriate experience and a balanced mix of capabilities, knowledge, and sufficient proficiency in legal matters.

▪ Committee Meetings

- The Legal Committee convene at least quarterly. Meetings are held upon the invitation of the Chairman and must be attended by the Head of the Legal Division.
- The committee may call upon whomever it deems necessary to carry out its responsibilities.
- The Chairman submit minutes of meeting and recommendations to the Board of Directors for appropriate action.
- Head of the Legal Division may request an extraordinary meeting of the Committee.
- The Committee may invite Bank Consultants or Division's head to attend meetings as required.

▪ Duties and Responsibilities

The Committee is charged with the following mandates:

- Ensuring the Bank's full legal compliance with all relevant legislation and regulatory frameworks.
- Ensuring that the Legal Division reviews the legal aspects of all internal policies in coordination with relevant Divisions.
- Ensuring that the Legal Division, alongside relevant sectors, reviews major contracts and agreements concluded by the Bank to ensure adherence to sound legal frameworks.
- Assessing the impact of new or amended legislation on the Bank's operations in a timely manner, overseeing necessary compliance actions, and submitting recommendations to the Board where applicable.
- Monitoring the status of all legal disputes and litigations filed by or against the Bank on a periodic basis and updating the Board on developments.
- Reviewing reports submitted by the Legal Division to the Committee and escalating necessary recommendations to the Board of Directors.
- Discussing topics related to legal risk with the Head of the Legal Division and/or relevant Bank's Divisions as deemed necessary.
- Analyzing obstacles that may impede the Legal Division's operations and proposing solutions to mitigate them.
- Reviewing reports regarding the expertise, training levels, and qualifications of Legal Division staff.

- Reviewing the results of internal investigations conducted by the Legal Division regarding staff infractions, in accordance with applicable policies and laws, prior to their presentation to the Audit Committee.
- Ensuring an objective annual performance evaluation of the Head of the Legal Division is conducted in coordination with the Vice Chairman and CEO, and discussing the appointment, dismissal, or resignation of the Head of the Legal Division.
- Evaluating the necessity of engaging external law firms or legal counsel to perform specific legal activities on behalf of the Bank, monitoring the execution of such tasks, and submitting related recommendations to the Board.
- Reviewing reports required by the Central Bank of Egypt (CBE) or relevant regulatory bodies concerning legal matters.
- The following tasks shall be performed in full coordination with the Audit Committee:
 - a.: Reviewing and monitoring the remediation of legal observations raised by internal and external Auditors, ensuring corrective actions are taken, and submitting necessary recommendations to the Board.
 - b. Recommending the adequacy of formed (or required) legal provisions and assessing any other legal proceedings that may impact the Bank's financial position on a quarterly basis prior to the approval of quarterly and annual financial statements and submitting related recommendations to the Audit Committee.

4- Executive Management Committees:

The Executive Management forms specialized committees of executive members to help carry out special tasks. All terms of reference are approved by CEO, and the following are examples of those committees:

- The Executive Committee
- Assets and Liabilities Committee
- Credit Policy Committee
- Committee for Settlement of Bad Debts for Individuals (Committee 1)
- Committee for Settlement of Bad Debts for Individuals (Committee 2)
- Committee for Settlement of Bad Debts for Individuals (Committee 3)
- Corporate Debt Settlement Committee
- Information Systems Projects Follow-up Committee
- Committee to monitor the development of retail Banking activity and fraud operations
- Operational Risk Committee
- Products and Services Committee (Retail Banking)
- Grievances Committee
- Risk assessment and legal allocations review committee
- ATMs Committee (external sites)
- Purchasing Committee
- Occupational Safety and Health Committee, General Division at Giza
- Occupational Safety and Health Committee - Building 131
- The follow-up and control committee on the activity of all types of funds affiliated with the Bank
- Information Security Follow-up Committee
- Committee for selecting securities traded on the margin purchase system
- Expected Credit Loss Approval, Provisions Review, and Early Warning Indicators Committee.
- IT Division policies/procedures review committee

- Fatwa and Sharia Supervision Committee
- Committee to study insurance on Bank assets
- Committee for receiving branches and headquarters.
- Work from home committee.
- Sports Activity Committee
- Estimated Budget Committee
- A committee to evaluate and review digital credit evaluation models
- Sustainability and Sustainable Finance Committee
- Expected Credit Loss Approval, Provisions Review, and Early Warning Indicators Committee
- AI Committee

5- The Control Environment

Internal control system: The Four lines of defense Framework

- **The units/ Divisions of the Egyptian Gulf Bank are classified as follows:**

Defense Lines*	Examples	The Followed Approach
The First Line	Any activity related to direct dealing with clients	Continuous monitoring at the process level
The Second Line	Risk, Compliance, Legal, Human Resources, Finance, Operations, and IT Divisions	Continuous or periodical monitoring based on the risk level
The Third Line	Internal audit and inspection	Periodical monitoring based on the risk level
The Fourth Line	External Auditors	An independent review of the bank's business to ensure its compliance with all legal and regulatory requirements

*Control responsibility does not transfer from one defense line to the next defense line.
Source: CBE circular: Internal Control and Governance instructions Sept. 2024

5.1- Definition of the four lines of defense

- **First: The first line of defense (Risk Owner):**

It consists of all Divisions and operational and executive Divisions that conduct business on a daily basis and bears responsibility for defining, evaluating and managing risks to which they are exposed, in order to remain within the permissible limits specified approved by senior management, First Line responsibilities include:

- Maintaining effective internal controls.
- Effective management of executive operations and efficient use of available resources.
- Effective asset management to enhance profits and avoid losses.
- Ensure compliance with relevant laws and Regulations through implementing approved policies and procedures in addition to constantly updating them on an ongoing basis.
- Identify, evaluate and monitor risk management in order to mitigate and reduce risks.
- Effectively providing a Reporting System that supports appropriate decision-making at the right time.
- Ensuring that procedures are consistent with the objectives & strategy of the Bank.

- Implement corrective actions to address identified deficiencies in processes and controls.
- Updating client information database (Know Your Client KYC).
- A continuous control at the level of each process

“The operational/executive management is considered the first line of defense in the three lines of defense framework, as controls are integrated into the procedures and the method of managing operations under their supervision. Management and oversight procedures, if sufficient, ensure adherence to work systems, as well as highlighting any defect in controls and addressing them in a way that strengthens the control environment.”

➤ **Second: Risk management and supervisory functions (second line of defense)**

The second line includes all risk, compliance, governance, internal control, and quality management units and Divisions, in addition to other supporting units/sectors (such as legal affairs, human resources, information technology, and finance, etc.) that help build and monitor the controls of the first line of defense, Risk and compliance are independent from the executive level through direct reporting to the relevant Board committees. Their responsibilities include:

- Supporting senior management in preparing the Bank's overall strategy.
- Supporting management policies, defining roles and responsibilities, and setting work objectives for implementation.
- Providing appropriate frameworks for risk management, identifying influential and emerging issues, whether known or emerging.
- Defining deviations in the acceptable risk level for the Bank.
- Assisting management in developing processes and work controls to support risk management.
- Providing guidance and training on the risk management process, facilitating and monitoring the effective implementation of risk management practices.
- Ensuring compliance with legislation, laws, regulatory requirements, and the alignment of the Bank's operations and processes with them, in addition to their reflection on the Bank's policies and procedures.
- Providing a sufficient and effective reporting system to support real-time decision-making.
- Alerting operational and executive management to emerging issues, events, and any changes in regulatory guidelines, controls, and risk management scenarios.
- Monitoring the adequacy and effectiveness of internal control systems, the accuracy and completeness of reports, compliance with relevant laws and regulations, and supporting the first line of defense in addressing deficiencies in a timely manner.
- Providing a mechanism for reporting illegitimate practices (while maintaining the confidentiality of the whistleblowers identity) - Whistleblowing mechanism
- Continuous or periodic monitoring mechanism according to the risk level.

➤ **Third: Internal Audit and Inspection (Internal Audit Division) (Third Line of defense)**

The Internal Audit and Inspection Division provides the Board of Directors, the Audit Committee and senior management with an independent and objective assurance mechanism on the extent to which the Bank's policies and procedures are effectively applied and the extent to which adequate controls are used that effectively play their role in mitigating major risks and ensuring that risk exposure levels are maintained within acceptable limits. Its responsibilities encompass the following:

- Developing an internal audit plan with special attention to risks to include all of the Bank’s various units and Division's, including operations Divisions, business Divisions, support Division and subsidiaries.
- Employing a systematic and disciplined approach to assess and enhance the effectiveness of risk management, control systems, and governance foundations.
- Vigilantly observing opportunities to enhance controls, risk management, and the corporate governance process at an efficient cost.
- Evaluating the risk management process, focusing on significant aspects, to provide confirmation of its effectiveness.
- Assessing the documentation and reporting process for key risks.
- Expressing the level of confidence regarding the accuracy of risk assessment and the effectiveness of its management.
- Assessing the implementation and application of the “control framework” (GRC framework).
- Playing an advisory role to strengthen and develop the Bank’s internal control systems.
- Instituting an autonomous periodic control methodology based on the risk level, with the role and scope of work as elucidated in the subsequent table:

Role of audit management (Internal Audit and Inspection Division)	Scope of its work	Permanent Division / Possibility of External Support	Internal audit officer	Periodic reports
<p>An independent and objective activity concerned with providing the Audit Committee and the Board of Directors with confirmation (Assurance) of the efficiency of risk management and corporate governance and the extent to which the Bank’s policies and procedures are effectively applied, while considering the controls that effectively play their role in mitigating major risks so that levels of risk exposure remain within acceptable and permissible limits, which contributes to improving the level of performance of activities and operations and helps</p>	<p>The internal audit and inspection scope encompass all of the Bank's operations, subsidiaries, systems, projects, products, and special activities. This involves assessing relationships with service providers, external outsourcing entities, and functional units throughout all affiliated entities.</p> <p>It also involves the highest-level supervisory controls implemented by the Board of Directors and senior management, along with the relevant regulatory framework and the supervisory controls applied within</p>	<p>Permanent functional in Bank.</p> <p>- External audit firms can be appointed to conduct precise and specialized audit missions for specific business areas, subject to the approval of the Audit Committee and in alignment with approved internal audit policies.</p>	<p>Mr. Amr Hefzy</p>	<ul style="list-style-type: none"> ➤ Detailed mission’s reports: ➤ The end of each task is issued ➤ Periodic compiled reports: ▪ Annual Report: Issued in the first quarter of the subsequent year and presented to the Audit Committee on February 15th annually. ▪ Quarterly reports: Issued at the start of each quarter, summarizing the previous quarter's activities, and presented to the Audit Committee on May 1st, August 1st, and November 1st. <p>The annual consolidated control functions report,</p>

Role of audit management (Internal Audit and Inspection Division)	Scope of its work	Permanent Division / Possibility of External Support	Internal audit officer	Periodic reports
the Bank achieve its goals and achieve added value.	the context of each system.			which compiles the results of regulatory Divisions, is released on April 30th each year. <ul style="list-style-type: none"> ➤ Self-Assessment Report (Q4) ➤ Ad Hoc reports: At the discretion of senior management and according to the topic.

➤ **Fourth: External Auditor and Central Bank of Egypt (Fourth Defense Line)**

An independent review of bank's business to ensure its compliance with all legal and regulatory requirements.

6- Risk Management

Risk management is one of the fundamental pillars of the bank's organizational structure. It plays a proactive and comprehensive role in identifying, measuring, and monitoring the risks the bank may face, while ensuring the management of those risks aligns with the acceptable risk level according to the bank's risk appetite and supports the achievement of the bank's strategic goals.

- **Roles and Responsibilities of the Risk Sector**

1. Identifying and Managing Risks:

- Identifying all types of risks the bank faces, including credit risk, operational risk, market risk, liquidity risk, interest rate risk, and emerging risks such as cybersecurity and risks related to the regulatory environment.
- Measuring and analyzing risks using quantitative and qualitative tools to ensure accurate assessments and effective decision-making in light of the collected information.
- Developing and applying effective early warning systems to monitor trends and developments that could impact risks.

2. Establishing Policies and Limits:

- Developing integrated risk management policies and having them approved by the Board of Directors.
- Setting maximum allowable limits for each type of risk, whether at the client, sector, currency, or investment level, considering the bank's portfolio diversification.

- Periodically reviewing limits and policies to ensure they align with changes in the internal and external environment.

3. Monitoring and Supervision:

- Applying proactive and continuous monitoring of risks through ongoing assessments and regular evaluations.
- Ensuring compliance with established risk limits and policies, addressing any breaches immediately.
- Preparing periodic reports (i.e. quarterly) that cover all types of risks the bank faces, detailing compliance with approved limits, and presenting corrective plans when necessary.

4. Supporting Senior Management and the Board of Directors:

- Assisting senior management and the Board of Directors in understanding the acceptable level of risk and providing a comprehensive overview of current and potential risks.
- Offering strategic recommendations regarding capital and liquidity planning and the launch of new products and services.
- Ensuring there is a mechanism to inform the Board of Directors about risks associated with various activities, both at the bank level and across the entire group, including subsidiaries and affiliates.

5. Developing the Risk Sector Organizational Structure:

- Providing a specialized organizational structure for managing each type of risk (such as credit risk, market risk, operational risk) to ensure clear authority and responsibilities and prevent conflicts of interest.
- Ensuring the independence of the Chief Risk Officer from other executive functions, allowing for direct reporting to the Risk Committee and the Board when necessary.

6. Enhancing Information Systems and Data Management:

- Developing a comprehensive Reporting System to provide the necessary data to support decision-making and risk analysis in a timely manner.
- Ensuring effective documentation and management of risk-related information, including reports submitted to regulatory bodies.

7. Stress Testing and System Evaluation:

- Establishing specific mechanisms for stress testing to handle different scenarios.
- Conducting periodic reviews of the bank's risk matrix, comparing actual results with projections to improve the risk management process.

8. Group Risk Management (Bank and Subsidiaries):

- Identifying and managing risks arising from the organizational structure of the group, including financial transactions between group entities.
- Providing comprehensive reports to the Board of Directors on risks associated with group activities and its subsidiaries.

9. Training and Capabilities Building:

- Providing continuous training and guidance to staff to enhance their understanding of risk management and best practices.
- Ensuring that all Divisions and employees comply with approved risk policies and procedures.

• Roles of the Chief Risk Officer

- Supporting the Board of Directors and the Risk Committee in setting the maximum allowable risk limits and monitoring compliance with them.

- Overseeing all types of risks across the bank and group, ensuring independence in reporting without any executive or supervisory influence.
 - Participating in strategic planning and offering necessary recommendations concerning risk management and institutional sustainability.
- **Effective Risk Control**
 - Developing and implementing a proactive and integrated monitoring approach that includes identifying, assessing, and continuously managing risks.
 - Ensuring the availability of comprehensive risk measurement and analysis tools, with a focus on operational, market, and cybersecurity risks.
 - Preparing corrective plans and conducting regular reviews of policies and procedures to ensure alignment with regulatory and market changes.

6.3- Information Security (Cybersecurity)

- The Information Security (Cybersecurity) aims to protect systems and sensitive information from cyber threats and attacks within and outside the bank. This sector focuses on developing strategies and technologies to ensure the confidentiality, integrity, and availability of information when needed. Its responsibilities include:
 - Evaluating and identifying potential cybersecurity risks and developing strategies to mitigate them.
 - Protecting sensitive data from unauthorized disclosure or modification.
 - Detecting and preventing cyberattacks such as phishing, malware, and denial-of-service attacks.
 - Raising user awareness by offering training programs and workshops to enhance employee understanding of cyber threats.
 - Ensuring compliance with regulations and standards issued by the Central Bank of Egypt regarding information protection, as well as adhering to internal information security policies.

7- Compliance Division:

The compliance framework includes the following basic aspects:

- Strengthening the compliance Division by developing the organizational structure and identifying and completing functional needs to keep pace with the current and expected growth of the Bank's business on a periodic basis in accordance with the development of business volume and the objectives of the compliance plan.
- Working to develop and update policies, procedures and work mechanisms for the compliance Division on an ongoing basis, including basic compliance standards and requirements and relevant risk management mechanisms.
- Applying standards and mechanisms for implementing the rules of KYC, identification & verification, due diligence, and periodic updating of data/documents, customers risk classification and FATCA requirements for new and existing clients on an ongoing basis, recording data on the automated system, and extracting the necessary regulatory reports automatically.

- Following the required standards for screening clients, parties associated with transactions on the sanctions lists and adhere to international and local sanctions programs through the automated screening system and the relevant procedures and controls.
- Establishing the necessary controls for employees' transactions and monitoring their accounts on a periodic basis,
- Developing mechanisms and scenarios for monitoring client accounts/unusual transactions through the automated anti-money laundering system and following the standards and procedures for reporting suspicious transactions.
- Developing & implementing pre fact desk monitoring mechanisms, monitoring the compliance of activities and transactions carried out by the Bank and its clients with the regulatory instructions, and assessing the money laundering/terrorism financing risks associated with them through prior review of:
 - (1) new and existing policies, procedures, work manuals, and Bank forms before issuing/updating them.
 - (2) New and existing products, services, contracts, and outsourcing activities before they are activated/updated
 - (3) Transfers and transactions in foreign currencies before implementation according to specific standards.
 - (4) High-risk clients and FATCA clients before opening the account/updating the KYC data
 - (5) handling complaints received from clients and regulatory authorities.
 - (6) Screening clients and financial transaction parties through the automated screening system against local and international bans and sanctions lists
 - (7) Advertisements, promotional campaigns, and external correspondence.
- Developing & implementing post fact desk monitoring mechanisms for specific types of transactions & accounts based on internal standards, in addition to ongoing monitoring of "customer rights protection unit" activities & the quality of closing the alerts generated by the automated systems of sanctions screening & unusual transactions monitoring.
- Developing & implementing the onsite monitoring framework for the Bank's branches and Divisions by the Compliance Division through field visits and activating the relevant executive plans in coordination with other control functions and presenting the necessary reports to the Board of Directors and the Audit Committee, in addition to monitoring the execution of the recommendations & corrective actions
- Providing a mechanism for reporting illegitimate practices (while maintaining the confidentiality of the whistleblowers identity) - Whistleblowing Policy.
- Training new and existing employees of the Bank in the field of Banking compliance and combating money laundering/ terrorism financing and developing training programs in accordance with the approved training policy and standards.
- Training the Bank Board members & Executive / Senior Management in the field of Banking compliance and combating money laundering/ terrorism financing

- Meeting the training needs of employees in the compliance Division in the field of compliance and anti-money laundering, in addition to programs for developing the skills necessary to improve performance.
- Monitoring the performance of the Customers Rights Protection Unit (a separate unit that escalates its reports to the Compliance Division) & applying the principles of customers rights in accordance with the regulatory standards.
- Presenting ongoing reports to Audit Committee & Board of Directors.

7.1- Role of the compliance Division:

1. **In evaluating the impact of changes in the surrounding environment on the Bank's activity**
The impact of changes surrounding the Bank (legislative amendments, regulatory instructions, local, regional and global events, etc.) is determined by analyzing the changes and evaluating their implications and the extent of the need to take additional precautionary measures or amend the policies, procedures, internal due diligence standards followed by the Bank, while defining responsibilities with the aim of achieving compliance and managing the risks associated with these changes according to the situation.
2. **Verifying that new products and procedures are consistent with the legal environment**
The Compliance Division reviews the procedures (new and existing) before issuing, updating or amending them, as well as reviewing the products before launch to verify their compliance with regulatory instructions and assessing the relevant compliance and money laundering/ terrorism financing risks.
3. **Supporting the Culture of Compliance**
The Compliance Division disseminates compliance policies, regulatory instructions, and anti-money laundering/ terrorism financing standards, in addition to holding training courses in the field of Banking compliance and anti-money laundering/ terrorism financing.
4. **Providing adequate training for employees**
New and existing employees targeted for training in the field of Banking compliance and anti-money laundering/terrorism financing are trained via specialized training programs through the compliance Division, as well as specialized external parties in accordance with the approved training policy and standards and in coordination with the Training Division of the Human Resources Division. The training needs of employees in the compliance Division in the field of compliance and anti-money laundering are met, including specialized certificates in the field of Banking compliance and anti-money laundering/terrorism financing, in addition to programs for developing the skills necessary to improve performance.

Training the Bank Board members & Executive / Senior Management in the field of Banking compliance and combating money laundering/ terrorism financing.

8- GRC framework and corporate governance:

The GRC framework and Corporate Governance Department” – reporting to Risk Division - implements approved annual plans in order to achieve GRC framework objectives as well as corporate governance standards as per governance and Internal control instructions issued by the Central Bank of Egypt in Sept-2024, Central Bank of Egypt law, and any assignments issued by bank’s management.

9- The External Auditor:

The Audit Committee roles and responsibilities include the following:

- Recommending the appointment of external auditors, ensuring compliance with the law requirements for accounting and auditing practitioners, including competency, reputation, and ample experience, and verifying their registration with the Central Bank of Egypt. This involves setting their fees and addressing issues related to their resignation or dismissal, all in accordance with the provisions of Law No. 194 of 2020 and the Central Auditing Organization Law.
- Expressing an opinion regarding the authorization to assign the external auditors to perform services for the benefit of the Bank other than auditing the financial statements, and regarding the estimated fees for them, without prejudice to their independence.
- The recommendation of the Audit Committee regarding the appointment of external auditors is presented first to the Board of Directors and subsequently to the Bank's General Assembly for approval. The external auditor is required to maintain complete independence from both the Bank and its Board of Directors. Neutrality is imperative, and their responsibilities should be safeguarded from any interference by the Board of Directors.
- The external auditor, whether an individual or a legal entity, is not allowed to continue their services for more than 5 years (for an individual) or 10 years (for a legal entity), in accordance with the relevant instructions from the Central Bank of Egypt.
- The Bank is committed to ensuring that the external auditor issues an assurance report on the Bank's corporate governance reports, validating its adherence to the governance and disclosure rules specified in the CBE instructions. Subsequently, this report is presented to the general assembly of shareholders.

10- Disclosure and Transparency:

Essential information and financial and non-financial disclosure

Financial and non-financial information as well as events, are disclosed and the Egyptian Stock Exchange is informed of that information and published on the screens of the Egyptian Stock Exchange. Financial statements are also published on a quarterly basis in two widely circulated daily newspapers, in addition to the Bank’s website, which is updated periodically, as follows:

- Providing the Egypt Financial Supervisory Authority and the Stock Exchange with the decisions of the ordinary and extraordinary general assembly immediately after its conclusion and before the start of the first trading session following the end of the meeting. The company is also committed to providing the Stock Exchange within a week at most from the date of the General Assembly with the minutes, provided that they are approved by the Chairman of the Board.
- Providing the Stock Exchange with the minutes of the General Assembly approved meetings within a period not exceeding three working days from the date of receipt.

- Providing the Authority and the Stock Exchange with a summary of the decisions containing material events issued by its Board of Directors immediately upon their completion and no later than before the start of the first trading session following the end of the meeting.
- Providing the Authority and the Stock Exchange with an approved statement by the Bank's Board of Directors of the most important results of its work compared to the corresponding period in accordance with the form prepared for that purpose by the Stock Exchange immediately after the Board of Directors has finished approving the annual or quarterly (periodic) financial statements in preparation for referring them to the auditor to issue his report on them. This disclosure must be made after the end of the meeting and no later than before the beginning of the trading session following the end of the meeting.
- Announcing the decision of the competent authority regarding cash distributions, free stock distributions, or both.
- Disclosure when the ownership of a shareholder and related parties exceed or decreases 5% and its multiples of the number of securities representing the capital of the company listed on the stock exchange or its voting rights, including shares that were subscribed for by purchasing subscription rights.
- Disclosing the future investment plan and the shareholder's directions regarding the management of the company if the percentage purchased from him and the parties associated with him reaches 25% or more of the company's capital or voting rights in it.
- Disclosing the issuance of any arbitration rulings or judicial rulings at any stage of litigation that affect its financial position or the rights of its securities holders or have an impact on trading prices or on the investment decisions of dealers.

10.1- Violations and judgments issued against the company during the year 2025 according to the following table:

S	Judgments, violations and fines imposed on the company during the year	Notes
1	A lawsuit was filed by the Alexandria Governorate to enforce payment of a letter of guarantee. The court of first instance issued a verdict in our bank's favor on December 29, 2022, rejecting the lawsuit. The plaintiff appealed, and on July 19, 2025, the appeal court cancelled the court's decision and ordered the bank to pay the amount of EGP 1,516,330 plus 5% interest from December 23, 2020, until full payment. The court also rejected the claim for compensation in the same amount. Our bank has filed a petition for reconsideration, which is still pending.	Judgment has not been enforced yet, legal provision built up for the case including interests.
2	A labor lawsuit was filed by former employee Ahmed Ehab Mokhtar to claim his entitlements and compensation for unfair dismissal. The court of first instance ruled on December 31, 2024, obligating the bank to pay 2,965 EGP for unused leave balance and to deliver a certificate of experience and employment documents, while rejecting other claims (compensation) based on the fixed-term employment contract. The verdict was appealed by the employee, and on July 6, 2025, the appeal court ruled to cancel the appealed judgment and ordered the bank to pay the appellant: - 13 months' salary as compensation for unfair dismissal.	Judgment isn't enforced yet, legal provision built up for the case.

S	Judgments, violations and fines imposed on the company during the year	Notes
	<p>- 2 months' salary for notice period. - Adjusted the cash equivalent for leave balance to 15 days instead of 8 days. - Plus, enforcement fees.</p> <p>The court decided that the fixed-term employment contract between the bank and the employee had become an indefinite-term contract, and the employee had not committed any default leading to termination, which constitutes unfair dismissal under Articles 105 and 106 of the Labor Law No. 12 of 2003. Our bank has filed an appeal against this verdict.</p>	
3	<p>A labor lawsuit filed by Maged Saleh Ragab Khamis Al-Tayyar, with a ruling issued on 26/2/2025 obligating the bank to pay his dues an amount of 43215 EGP annual leaves balance, 14917 EGP as tax differences, and 30,000 EGP as the Achievement Competition Award (his entitlements), and rejected all other requests represented by the compensation claim.</p>	<p>Judgment isn't enforced yet, legal provision built up for the case.</p>
4	<p>Lawsuit filed by the Alexandria Governorate requesting the liquidation of the Advance Payment Letter of Guarantee (for client Al-Aqqad Contracting Company) issued to the Directorate of Housing and Utilities in Alexandria, number 100315/184, for the amount of EGP 1,270,905 (One million two hundred seventy thousand nine hundred and five Egyptian Pounds), plus legal interest at 5% from the date of claim until the date of payment.</p> <p>The Court of Appeal issued its judgment on 22/12/2025, upholding the First-Degree Judgment which ruled:</p> <p>First: Obligating the Bank to pay the plaintiff the value of the Advance Payment Letter of Guarantee No. 184/100315, amounting to EGP 1,270,905, and to pay a return of 5% from the date of the judicial claim, which occurred on 13/4/2022, until full settlement.</p> <p>Second: Obligating the Ordering Customer, Al-Aqqad Company, to repay the decreed amounts to the Bank.</p> <p>Our Bank is currently in the process of filing a petition for reconsideration.</p>	<p>Judgment isn't enforced yet, legal provision built up for the case, and provisions for the interests are currently in the process on being built.</p>
5	<p>Lawsuit filed by Mr. Ahmed Ali Abdel Raouf Hashem requesting compensation for material and moral damages in the amount of EGP 930,000, which resulted from his collision with the glass door of Al-Shahed branch, causing injury to his nose and resulting in a permanent disability.</p> <p>A judgment was issued in favor of our bank on 26/2/2022, affirming the First-Degree Court's ruling to reject the lawsuit. The client appealed this judgment to the Court of Cassation (Naqd), and a ruling was issued by the Court of Cassation on 13/4/2025 referring the case back to the Court of Appeal.</p>	<p>Judgment isn't enforced yet, legal provisions for the case are currently in the process on being built.</p>

S	Judgments, violations and fines imposed on the company during the year	Notes
	The Court of Appeal then issued a judgment on 11/11/2025, revoking the First-Degree Court's ruling and ordering the Bank to pay the amount of Fifty Thousand Egyptian Pounds (EGP 50,000) as material and moral compensation. Our Bank appealed this judgment to the Court of Cassation.	

10.2- Investor Relations:

The Investor Relations Officer is determined by a decision of the bank's Board of Directors and attends the shareholders' general assembly meeting. The Investor Relations Officer also does the following:

- He is responsible for contacting the stock exchange and responding to inquiries from shareholders and investors. He also distributes press releases about the company, including the information and data specified by the stock exchange.
- Developing a business plan for its management that includes the company's disclosure policy and compliance with all laws, regulations, rules, registration procedures, disclosure requirements, and decisions issued by the Authority and the Stock Exchange.
- He is aware of the direction of senior management, the strategic plans and the decisions it makes, especially the essential ones, and the commitment to maintaining the confidentiality of essential and internal information that is not considered public knowledge.
- Disclosing to financial analysts, current and potential investors and evaluation institutions the company's work and plans through meetings and conferences and following up on the reports issued by the company and their accuracy.
- Conveying the market situation to senior management and assisting in preparing the company's response to questions and inquiries from investors, the media, and financial analysts, and dealing with rumors that would affect the trading of the company's shares.

10.3 -Disclosure Tools:

■ Annual Board of Directors report

- The Bank issues the Board of Directors' report and the governance report annually, and disclosure reports periodically, which makes the Bank's information clear in accordance with the principle of disclosure and transparency.
- The Bank also issues the Board of Directors' report annually in accordance with the provisions of Companies Law No. 159 of 1981 and its Implementing Regulations, for presentation to the General Assembly of shareholders and regulation authorities.

■ Disclosure report

The Bank issues a quarterly disclosure report prepared by the Bank's financial Division, especially its investor relations Division, which includes the following:

- The Company's contact information.
- Investor relations officer and his contact information.

- The structure of shareholders who own 5% or more of the company's shares.
- The overall shareholder structure, showing freely trading shares.
- Details of the company's treasury shares.
- Changes in the company's Board of Directors and the latest formation of the Board.
- Change the auditor in the coming period.

11- Sustainable development, sustainable financing and the Bank's social responsibility:

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to achieve their goals and meet their needs. It is the process of developing land, cities, businesses and communities in order to achieve integrated and sustainable economic growth, taking into consideration the environmental and social dimensions. Sustainable development takes many environmental and social issues into consideration, such as preserving the environment, optimum and responsible consumption of resources, addressing climate change, improving health and education levels, reducing inequalities, creating job opportunities and improving living conditions for all individuals. Sustainability in Banks means a business approach that creates long-term values for clients and employees by setting goals and strategies aimed at preserving the surrounding environment in all its dimensions.

• **Environmental Aspect:**

On the environmental level, the Bank is undertaking many internal initiatives that aim to adopt environmentally friendly practices aimed at saving energy, managing resources and property, and achieving operational efficiency, as the new branches are designed with soundproof materials that reduce and absorb noise, installing solar panels for clean energy in addition to the responsible use of energy and special requirements for operation. On another scale, the bank measures its Carbon Footprint (scope 1 & Scope2) on a yearly basis to set the desired target.

• **Social Aspect:**

The Egyptian Gulf Bank believes that the personal development of its employees is essential to the growth and success of the Bank. It also believes that meeting employees' expectations and maximizing their levels of job satisfaction is a crucial element in the Bank's success. In order to keep pace with the needs of the Bank's employees, the Bank invests in training and development by providing a large number of different training courses. It also aims to establish healthy work policies, such as working from home and others. Believing in gender equality, the Bank has achieved a balanced ratio between the number of female and male employees, which is constantly being worked on to strengthen. The level of satisfaction of the organization's employees is also measured through surveys on a periodic basis.

- Egyptian Gulf Bank's orientation towards the youth segment is evident through providing distinguished services and products that serve their requirements and help them achieve their goals, whether in their jobs or through private businesses from small enterprises. Assistance is also provided to provide young people with the necessary tools to be tomorrow's entrepreneurs. Mint Division works to empower Egyptian youth by promoting financial literacy and enhancing their independence in making critical decisions about their future. The Bank also works on the comprehensive empowerment of women by providing products tailored to them in addition to initiatives of a social nature. This includes the attainment of the Egyptian Gender Equity Seal (EGES) this year that serves as a commitment of the bank to gender equality and women's empowerment

- **Sustainable Financing**

- Sustainable financing plays a vital role in achieving the Sustainable Development Goals. Its impact stems from offering banking products and services, and operating in ways that integrate environmental, social, and governance (ESG) considerations across financing, lending, and investment activities. The objective is to generate long-term value for all stakeholders, including employees, customers, and society at large.
- Sustainable finance is a powerful mechanism for fostering balanced growth by transforming current challenges into future opportunities. It encompasses a comprehensive approach that integrates environmental and social risk management into the Bank’s credit-granting and investment decisions.
- EGBank has developed an Environmental and Social Risk Management (ESRM) Framework that reflects its commitment to sustainable finance, classifying and assessing its portfolio to mitigate potential environmental and social risks. In addition, the Bank provides financing for environmental initiatives—such as renewable energy and energy efficiency and for social projects including healthcare, education, small, medium, and micro-enterprise development, as well as labor-intensive initiatives that create jobs, reduce poverty, and enhance living standards, especially for vulnerable groups. Sustainable financing also entails adhering to strong governance principles that enhance transparency and strengthen monitoring, evaluation, and accountability systems to ensure sustainable value for all stakeholders.

- **Incorporating Sustainability Across Environmental and Social Dimensions**

- **Environmental Dimension**

- On the environmental front, the Bank has launched several internal initiatives aimed at adopting eco-friendly practices that conserve energy, optimize resource and property management, and enhance operational efficiency. New branches are designed using sound-absorbing materials, and the Bank installs solar panels to generate clean energy while promoting the responsible use of electricity and sustainable operational standards.
- Furthermore, the Bank measures its carbon footprint (Scope 1 & Scope 2) annually to set and track progress toward its environmental targets.

- **Social Dimension**

- EGBank firmly believes that the personal and professional development of its employees is essential to the institution’s growth and long-term success. Meeting employee expectations and enhancing job satisfaction remain central priorities. To support this, the Bank invests in comprehensive training and development programs and continually enhances its workplace policies, including remote-work options.
- Committed to gender equality, the Bank has maintained a balanced representation of male and female employees and continues to build on this progress. Employee satisfaction is measured regularly through surveys to ensure continuous improvement.
- The Bank’s focus on youth empowerment is demonstrated through specialized products and services that support their financial needs, career aspirations, and entrepreneurial ambitions. Through the Mint and Financial Inclusion Divisions, the Bank promotes financial literacy and encourages independence in financial decision-making among young people.

- **Financial Inclusion**

- The bank's general commitment to Financial Inclusion guarantees that the bank focuses on all segments of society, including underbanked, women, the elderly, special needs, self-employed, ensuring they all find suitable financial products.
- Financial Literacy is a key component of Financial Inclusion strategies. Financial Inclusion Team ensured to train under banked and unbanked individuals across Egypt and target cities on using financial products and digital banking.
- **Women Support Programs - ZAHRA:** This major initiative provided training on business planning, marketing, and financial literacy to women in rural areas in Assuit and Mansoura.
- **Special Needs Clients:** EGBANK is committed to ensuring that no individual with a disability is restricted from accessing its banking services due to their disability.
- **Simplified KYC Products:** The foundation of financial inclusion is easy account access. EGBANK offers simplified accounts, especially during Financial Inclusion activation periods organized by the Central Bank of Egypt.

12- Website:

The Bank has its own website on the international information network in Arabic and English, through which financial and non-financial information is disclosed in a user-friendly manner (www.eg-Bank.com).

13- Charters and Policies:

- **Code of Ethics and Professional Conduct**

Bank code of ethics was approved and circulated at the bank on ethics and professional conduct, which includes a set of values that work to control and regulate the rules of professional conduct and professional ethics within the Bank. HR is responsible for issuing this code and **publishing it to be available to all employees all the time on the Home Page of the HR SAP system,**

- **Succession Planning**

- Succession planning is a proactive, long-term process designed to ensure the bank's business continuity by preparing another line of candidates to fill any unexpected vacancies in critical senior management positions. The primary goal is to minimize disruption caused by sudden absences (e.g., resignation, death, or illness), especially that internal replacement is significantly more effective in terms of time, effort, and cost compared to external hiring.
- The process involves identifying the difference between the current capabilities of eligible internal candidates and those required for higher-level critical roles, and creating an Individual Development Plan for each identified candidate to close any gaps. Periodically following up on these plans is important to ensure they remain aligned with the bank's strategic direction; thus, allowing it to make necessary adjustments due to internal or external factors and ensuring the bank constant preparedness any fundamental change.

■ Whistleblowing

Activating the Whistleblowing Policy, to include examining and investigating reported cases and taking the necessary measures regarding them (while maintaining the confidentiality of the whistleblower's identity).

✚ Dealing with internal parties, related parties and related parties

- The company discloses the work parameters/mechanisms that govern insiders' trading operations on the company's shares, organizes relationships with related parties, and concludes compensation contracts in accordance with the rules of regulatory authorities, and is guided by the disclosure form prepared for this purpose to track those operations.
- Transactions with related parties are disclosed in the financial statements presented to the bank's general assembly, and related parties are prohibited from the following:
- Dealing with any of the insiders and the group associated with them on any securities issued by the company within five business days before and one business day after the publication of any essential information.
- Any shareholders who own 20% or more may deal with it alone or through a group associated with them unless the stock exchange is notified of this before implementation.
- Dealing with the members of the company's Board of Directors, regardless of their percentage of contribution to the capital, its officials, or persons who have access to information that is not available to others and that has an impact on the price of securities or selling those securities to which this information relates.

14- Insider transactions on the company's shares:

- The number of shares in insider trading at Egyptian Gulf Bank reached **1,363,804** shares as of December 31, 2025. (All transactions consist of ESOP shares)

15- Corporate Social Responsibility (CSR) Framework

General Strategic Direction

The Bank adopts a strategic approach to Corporate Social Responsibility based on investing in human and community development. With a specific focus on empowering youth and women, enhancing education, and fostering entrepreneurship, the Bank aims to address financial illiteracy. This direction is designed to support inclusive economic growth and achieve sustainable social and financial impact.

This orientation stems from a firm conviction that true development begins with capacity building and providing equal opportunities. The Bank seeks to be an active driver of this transformation through high-quality, impactful initiatives.

■ **CSR Execution Channels**

CSR activities are implemented through a range of institutional channels, including:

1. Grant Programs and Academic Support: In collaboration with educational institutions.
2. Business Incubators: Supporting entrepreneurial projects within universities.
3. Partnerships: Working with civil society organizations and relevant government ministries.
4. Innovation Funding: Programs targeting youth and women-led projects.
5. Donation Campaigns: Community engagement in cooperation with hospitals and charitable foundations.
6. Awareness Seminars: Internal and external sessions to promote financial literacy and community empowerment.

■ **Examples of Implemented Activities**

The Bank's CSR activities include:

- Empowering Innovation and Youth-led Entrepreneurship.
- Establishing Strategic Collaborations with Non-Profit Organizations and Government Entities.
- Conducting Financial Literacy Workshops in partnership with Charitable Institutions to promote Financial Inclusion for underserved communities.

■ **Potential Execution Partners**

To implement these programs, the Bank relies on cooperation with:

- Government Ministries: (e.g., Ministry of Planning, Ministry of Higher Education).
- Academic Institutions: Universities and colleges, specifically those specializing in economics and management.
- NGOs & Charities: Particularly those focused on women's empowerment, education, and health.
- Research Centers and accredited youth-led initiatives.
- International Organizations: Entities operating in the fields of development and community empowerment.

Cairo on: 8/2/2026