

Annual Corporate Governance Report Of Talaat Moustafa Group Holding

For the financial year ended December 31, 2023

Contents of the Corporate Governance Report for the financial year ended December 31, 2023

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**INDEPENDENT ASSURANCE REPORT
ON THE REPORT OF THE BOARD OF DIRECTORS OF TALAT MOUSTAFA GROUP
HOLDING COMPANY "TMG HOLDING" (S.A.E)
CONCERNING COMPLIANCE WITH CORPORATE GOVERNANCE RULES ISSUED IN THE EGYPTIAN
GUIDE TO CORPORATE GOVERNANCE
ISSUED UNDER THE RESOLUTION OF THE BOARD OF DIRECTORS OF THE FINANCIAL REGULARITY
AUTHORITY NO. (84) DATED 26 JULY 2016**

To the Board of Directors of TALAT MOUSTAFA GROUP HOLDING COMPANY "TMG HOLDING" (S.A.E)

Introduction

We performed limited assurance engagements regarding the preparation and presentation of the attached report on compliance with corporate governance rules prepared by the Board of Directors of **TALAT MOUSTAFA GROUP HOLDING COMPANY "TMG HOLDING" (S.A.E) ("the Company")** for the year ended 31 December 2023, which is prepared in accordance with the Board of Directors' directional report form referred to in the Egyptian exchange letter addressed to the Chairman of the Company's Board of Directors dated December 25, 2018.

Management's Responsibility

The Company's Board of Directors is responsible for preparing and presenting the governance compliance report in accordance with the Board of Directors' directional report form referred to in the Egyptian Exchange's letter addressed to the Chairman of the Company's Board of Directors dated December 25, 2018. The Board is also responsible for ensuring the extent of compliance with the rules of governance in accordance with the instructions issued by the Financial Regulatory Authority and the Egyptian Guide to Corporate Governance issued under the Resolution of the Financial Regulatory Authority's Board of Directors No. 84 dated July 26, 2016. In addition, it is responsible for identifying areas of non-compliance and their justifications.

Auditor's Responsibility

Our responsibility is limited to expressing a conclusion with limited assurance as to whether anything has come to our attention that makes us believe that the accompanying Board of Directors' report is not prepared in accordance with the Board of Directors directional report form referred to in the Egyptian Exchange letter addressed to the Chairman of the Company's Board of Directors dated December 25, 2018. This is based on our limited assurance procedures.

We performed limited assurance engagements in accordance with the Egyptian Auditing Standard on Assurance Engagements No. (3000) "Assurance Engagements other than Audits or Reviews of Historical Financial Information." This standard requires compliance with professional conduct requirements, including independence requirements, and planning and implementing our procedures

to obtain limited assurance on whether anything has come to our attention that makes us believe that the Board of Directors' report on the extent of compliance with the rules of governance in general is not prepared in all its significant aspects in accordance with the Board of Directors' directional report form referred to in the Egyptian Exchange letter addressed to the Chairman of the Company's Board of Directors dated December 25, 2018.

The procedures performed in limited assurance engagements differ in nature and timing and are narrower in scope than those performed to obtain reasonable assurance. Accordingly, the level of assurance obtained from limited assurance engagements is less than the assurance that can be obtained from reasonable assurance engagements.

The procedures we have implemented are based on our personal judgment and mainly include obtaining evidence from inquiries, observation of some of the procedures performed, perusal of some supporting documents, and comparing them with the Company's records.

In accordance with the nature of our engagement, on implementing the procedures stated above, we performed the following:

- Getting a clear understanding from the management of the method used by them in preparing the report according to the mentioned form, as well as the procedures followed by them for complying with those requirements and their methodology for evaluating the extent of compliance with the form referred to above.
- Comparing the contents of the Board of Directors' report form on the extent of compliance with corporate governance rules that is approved by the company's board of directors with the requirements of the Board of Directors' directional report form referred to in the Egyptian Exchange letter addressed to the Chairman of the Company's Board of Directors dated December 25, 2018.
- Comparing the contents of the Board of Directors' report form on the extent of compliance with corporate governance rules with the Company's records and documents.

In accordance with the requirements of Paragraph 49 (d) of Auditing Standard 3000, our procedures are limited to the matters that can be measured accurately and do not include non-quantitative aspects or the extent of their effectiveness, validity or completeness, including management procedures for adhering to the rules of corporate governance as well as evaluating the performance of the Board of Directors, its committees and the executive management. Our procedures for the purposes of this report also do not include evaluating the effectiveness of the internal control and compliance system and the effectiveness of the governance system. This report is prepared solely for satisfying the requirements of Article 40 of the rules of registering and delisting the Egyptian securities and not for any other purpose. Therefore, it is only suitable for its intended purpose.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

Most of the procedures implemented by entities for complying with the administrative and legal rules depend on the people who implement such procedures, their understanding of the objectives of those procedures, and their assessment of whether the procedures have been implemented efficiently. In some cases, there is no audit evidence that can be obtained. We would like also to point out that the

(RSM EGYPT)

ALLIED FOR ACCOUNTING & AUDITING

CHARTERED ACCOUNTANTS

(EY)

design of compliance procedures follows the best practices that vary from one entity to another and therefore does not represent a specific standard to which one can compare.

Also, non-financial data is subject to greater inherent restrictions than those related to financial data, if we consider the characteristics of the Board of Directors' report on the extent of compliance with governance rules and the method used to prepare it.

Conclusion

In light of the procedures applied above clarified in this report, nothing has come to our attention that makes us believe that the accompanying report of the Board of Directors of **TALAT MOUSTAFA GROUP HOLDING COMPANY "TMG HOLDING" (S.A.E)** on the extent of compliance with the rules of governance during the year ended 31 December 2023 is not prepared and presented in all its significant aspects according to the Board of Directors' directional report form referred to in the Egyptian Exchange letter addressed to the Chairman of the Company's Board of Directors dated 25 December 2018.

Cairo on: 28 February 2024.


Samir Anas Abi Elghayour
FESAA-FEST
(RAA. (10368))
RSM EGYPT - Chartered Accountants
RSM
مجلس المحاسبين
مصر - محاسبون

Auditors


Sherif Fathy El Kilany
FESAA-FEST
Allied For Accounting & Auditing
A Member of
Ernst & Young Global
Cairo, Egypt
Podium 1 - Building No. 1

(EFSAR. 282)

(RAA. 5285)

(EFSAR. 83)

(RSM EGYPT) CHARTERED ACCOUNTANTS

ALLIED FOR ACCOUNTING & AUDITING
(EY)

2. General information about the company

Company Name	Talaat Moustafa Group Holding		
Company purpose	Participation in the establishment of companies that issue securities or enter into the increase of their capital		
Duration of the company	25 years from the date of registration in the commercial register	Date of listing on the ASE	25/11/2007
The law to which the company is subject	Law 95 of 1992	Nominal value per share	10 EGP
Last authorized capital	EGP30,000,000,000	Last issued capital	EGP20,635,622,860
Last paid-up capital	EGP20,635,622,860	Number and date of registration in the commercial register	187398 April 3, 2007
Contact Person Name	Mr. Jehad Mohammad Mari Al Sawaftah		
Head Office Address	36 Mosadak St. - Dokki - Giza		
Phone Numbers	33312000	Fax Numbers	33016894
Website	talaatmoustafa.com		
E-mail Address	jsawaftah@tmg.com.eg		

3. Corporate Governance Framework

TMG Holding is committed to applying the highest level of governance and to achieve compliance with all corporate governance laws and rules under the regulation of the Egyptian Financial Regulatory Authority and the Egyptian Stock Exchange.

Corporate governance is defined as the organizing foundations of the relations between the main parties of the company (members of the Board of Directors, executive management, shareholders) aimed at distributing rights and responsibilities among the various stakeholders, achieving transparency, justice and accountability, ensuring the protection of shareholders' rights and other interests, and ensuring that the company is managed to serve its stakeholders.

Corporate governance is an integral part of the culture of TMG and its subsidiaries, and aims at achieving the following:

- **Transparency:** openness in the operational and investment processes of the Company, avoiding ambiguity, confidentiality and misinformation, and making all matters verifiable and confirmable.
- **Accountability:** The right of shareholders to hold the executive management accountable for its performance, and this right is guaranteed by the law and articles of association of the Company. It also ensures the responsibility of executive management to the Board and the responsibility of the Board to the shareholders.
- **Equality:** Equality between small and large investors, both domestic and foreign, and the Company's articles of association guarantee this principle in terms of equal voting rights, accountability, candidacy, and access to information.
- **Responsibility:** The Company's responsibility to recognize the rights of stakeholders granted by law, and to encourage communication and participation between the company and stakeholders in creating opportunities, jobs, and sustainability.

4. General Assembly and Board of Directors

3.1. General Assembly of Shareholders

The ordinary general assembly of shareholders shall be held within a maximum of three months from the end of the fiscal year, and each shareholder has the right to attend the meetings of the general assembly. The invitation is published in two daily newspapers, and the assembly is held in one of the places belonging to the Company or its subsidiaries, with the provision of means of transportation to the venue if requested.

Shareholder structure

Holding 5% or more of the company's shares	Shares on December 31, 2022	
	Number of shares	Ownership %
TMG Real Estate & Tourism Investment Company	890,566,601	43.16%
Alexandria Construction Company	165,783,250	8.03%
RIMCO E G T INVESTMEVT L L C	154,411,591	7.48%
Total holders of 5% or more of the company's shares	1,210,761,442	58.67%
Other contributors	852,800,844	41.33%
Total	2,063,562,286	100%

3.1. Board of Directors

Composition of the Board of Directors

Name	Position (executive/non – executive)	Number of shares	Joining date	Represented entity
Eng. Tarek Talaat Moustafa	Non-Executive	123,000	03/04/2007	TMG Real Estate and Tourism Investment Company
Mr. Hesham Talaat Moustafa	Executive	123,000	03/04/2007	TMG Real Estate and Tourism Investment Company
Eng. Hani Talaat Moustafa	Non-Executive	123,000	03/04/2007	TMG Real Estate and Tourism Investment Company
Eng. Yehia Mohammad Awad Bin Ladin	Non-Executive	512	03/04/2007	TMG Real Estate and Tourism Investment Company
Mr. Jehad Mohammad Mari Al Sawaftah	Executive		31/03/2022	TMG Real Estate and Tourism Investment Company
Mr. Ahmed Ashraf Ali Kajouk	Non-Executive		15/02/2023	Misr Insurance Company
Ms. Siham Mohammed Al-Saeed	Executive		06/03/2022	Female component
Ms. Heba Samir Zaki Abdel Malak	Executive		31/03/2022	Female component
Mr. Hossam El-Din Mohamed Abdallah Helal	Non-Executive		30/11/2007	Experienced
Dr. Hani Salah Sarie El-Din	Independent		04/03/2014	Independent
Mr. Mohammad Abdel Aziz El-Toukhy	Independent		01/03/2017	Independent
Mr. Mohamed Bahgat Ahmed Samih Talaat	Independent		31/03/2022	Independent

About the Board of Directors

Eng. Tarek Talaat Moustafa

Chairman of the Board of Directors

Eng. Tarek Talaat Moustafa, Chairman of Talaat Moustafa Group Holding Company and Alexandria for Construction Company, one of the largest contracting companies in Egypt and the Middle East, as well as other companies operating in the real estate and tourism sectors. He was a member of the People's Assembly for several past legislatures, and he was also a member of the Board of Directors of the Egyptian Federation of Construction and Building Contractors as well as of the General Federation of the Chambers of Commerce. He received a bachelor's degree in civil engineering from the University of Alexandria in 1975.

Mr. Hesham Talaat Moustafa

Chief Executive Officer & Managing Director

CEO and Managing Director of Talaat Moustafa Group Holdings, He is also the Chief Executive Officer and Managing Director of the real estate and tourism companies that are controlled by the Group. He was a member of the Shura Council for several previous legislatures. He received a bachelor's degree in commerce from the University of Alexandria in 1980.

Eng. Hany Talaat Moustafa

Non-Executive Member

President of the Alexandria Agricultural Company since the 2002, as well as other companies operating in the agricultural sector in which the Talaat Moustafa family has significant holdings. He is also board member of the real estate and tourism companies that are controlled by the Group. He received a bachelor's degree in civil engineering from the University of Alexandria in 1978.

Eng. Yehia Mohammed Awad Bin Ladin

Non-Executive Member

Chairman of Bin Ladin Group, Member of the Board of Arab Cement Company Limited, Teba Company for Investment and Real Estate Developments, White Cement Company, Al-Azizia for Investment and Real Estate Developments, Jeddah Holding Company for Developments, and other companies, all controlled by the Bin Laden family. He received a bachelor's degree in industrial engineering from Northeastern University, Boston, Massachusetts.

Mr. Jehad Mohammad Mari Al Sawaftah

Executive Member

Mr. Jehad Mohammad Mari Al Sawaftah is currently CFO of Real Estate and Hotel affairs at Talaat Mustafa Holding Group, and a member of the Board of Directors of several of the Group's companies. He worked as financial controller of the Kingdom Holding Group (Saudi Arabia) before joining TMG in 2004. He received his Bachelor of Commerce from Yarmouk University in 1993.

Mr. Ahmed Ashraf Ali Kajouk**Non-Executive & Misr Insurance Company Representative**

Mr. Ahmed Ashraf is the Deputy Minister of Finance for Fiscal Policies and Institutional Development since 2016, he obtained a bachelor's degree in economics from the American University in Cairo in 1998 in addition to a master's degree in economics from the University of York – England, in 2002, as well as a master's degree in public administration from Harvard University – USA, in 2010. He has worked in several international bodies such as the World Bank and the International Monetary Fund, in addition to his membership in the Board of Directors of the Central Bank of Egypt and the holding company for EgyptAir.

Mr. Hossam El-Din Mohamed Abdallah Helal**Non-Executive & Chairman of the rewards & Compensation Committee**

Chairman of board of director of Baker Tilly Hilal & Abdel Ghaffar accountancy and business advisory firm in Egypt, and a member firm in Baker Tilly International. He worked for the Group and its predecessors and related companies since 1979. He received a Bachelor of Commerce Degree from the University of Cairo in 1975 and is a Fellow of the Egyptian Association of Accountants and Auditors, and the Egyptian Tax Association.

Mr. Mohamed Bahgat Ahmed Samih Talaat**Non-Executive and Independent Member**

Mr. Mohamed Bahgat holds a Bachelor of Law from Cairo University and a Master of Laws from Chicago Law School - USA. He worked at Baker & McKenzie Legal Consultants, and has progressed in his career until the becoming the Executive Director of Baker & McKinsey – Cairo. He also served as Chairman of the Legal Committee of the American Chamber of Commerce, and currently works as a founding partner at Talaat Law and is a cassation lawyer, specialized in arbitration operations, the capital market, subscriptions in securities, corporate operations and others.

Prof. Dr. Hani Salah Sarie El-Din**Non-Executive, Independent Member & Chairman of the audit & governance Committee**

Prof. Dr. Hani Sarie El Din is a prominent legal practitioner in Egypt and the Middle East with over 25 years of experience in corporate, banking, and capital market. In addition to his private professional career, Dr. Sarie El Din has served in executive and non-executive public positions including, Chairman of Capital Market Authority, Board Member of the Central Bank of Egypt, General Authority for Investment, and the first official US-Egyptian Fund to promote investment in Egypt. Dr. Sarie El Din holds a Ph.D. in International Business Law from Queen Mary and Westfield College, University of London in 1995.

Mohamed Abdel Aziz El Toukhy**Non-Executive & Independent Member**

Mr. Mohamed Abdel Aziz El Toukhy is Board advisor at CIB Bank and member of the Board of Directors at AXA Insurance Company. He has extensive experience of over 40 years in the banking sector, serving as Chief Executive Officer of Retail Banking and as Member of the Management Committee of CIB Bank until 2016. He obtained a bachelor's degree in accounting from Alexandria University in 1977.

Ms. Siham Mohammed Al-Saeed**Executive Member**

Mrs. Siham Al Said obtained a Bachelor of Commerce from Alexandria University in 1984 and received a master's degree in finance (MBA) - from the Arab Academy of Marine Sciences in 2010. She worked with the Group's companies since graduating and currently holds the position of Chief Executive Officer of the Banking and Finance Sector of Talaat Mustafa Holding Group

Mrs. Heba Samir Zaki Abdel Malak**Executive Member**

Mrs. Heba Samir Abdel Malak obtained a Bachelor of Commerce - Cairo University in 1999. She worked since graduating with the Egyptian Mobile Services Company Orange (formerly Mobinil) and progressed in the positions up to the position of head of the human resources sector. She now holds the position of Chief Executive Officer of the Human Resources Sector of Talaat Mustafa Holding Group

Role and Responsibilities of the Board of Directors

The Board of Directors shall be the main administrative entity of the Company, it shall manage the Company's affairs based on the mandate received by the General Assembly. The Board shall present the annual report of the Board of Directors regarding the results of the business for the ended fiscal year to the Ordinary General Assembly within three months following the end of the fiscal year.

The Board is informed of its responsibilities and duties in accordance with the Company's Articles of Association and the decisions of the Financial Regulatory Authority, through:

- Develop mechanisms and systems that ensure the commitment of all employees of the company to the laws, charters and internal policies of the company. Be responsible for the development of an early warning system to detect any deficiency or incongruity that may occur and ensure the speed in taking appropriate action. Such a system must include ways to protect sources of information and whistleblowers of corruption and delinquency.
- Develop a plan for the succession of power within the company for senior management positions as well as Board Members to ensure the sustainability of the Company and the effective continuation of its business.
- Determine the powers that it delegates to one of its members, committees or others. The Board must as well as determine the duration of the delegation, the periodicity of reports obtained from the committees and executive management, and follow up the results of the exercise of those delegated powers.
- Develop preventive measures, tools and mechanisms that secure the flow of information and control the accuracy and integrity of data within the company and protect it from manipulation, whether from inside or outside the company, such as securing the use of the Internet and mobile devices against intrusions and piracy.
- General supervision of the disclosure of data and communication channels, ensuring the integrity of the financial and accounting reports issued by the company, as well as ensuring the independence of both internal audit activity and compliance with the company.

Chairman of the Board of Directors

Eng. Tarek Talaat Mustafa, Chairman of the Board of Directors, performs his duties in accordance with the company's articles of association and the governing laws, and his primary tasks and responsibilities are the following:

1. Invitation to convene the Board of Directors and provision of the agenda.
2. To convene the Ordinary and Extraordinary General Assembly to discuss the agenda presented by the Board of Directors.

Chief Executive Officer & Managing Director

Mr. Hesham Talaat Mustafa, CEO and Managing Director, the highest executive rank according to the organizational and functional structure of the Company, is primarily responsible for the executive management, and the development of strategies and general policies of the company.

The following are the primary responsibilities and functions of the CEO and Managing Director:

- 1) Chairing the company's executive management work and conducting its daily affairs, supervising the workflow in all departments and sections of the company, following up the performance of all activities, taking decisions aimed at the continuity of work and achieving goals, as well as working to increase customer satisfaction with the company.
- 2) Work on the implementation of all policies, regulations and internal systems of the company.
- 3) Proposing topics to be raised in the periodic meetings of the Board of Directors in consultation with the Chairman of the Board.
- 4) Supervise the preparation of periodic financial and non-financial reports on the results of the company's business and evaluate its performance, as well as the corporate governance report, and review all responses to auditors' inquiries before preparing these reports.
- 5) Active participation in building and developing a culture of ethical values within the company and proposing reward and motivation systems and mechanisms for the succession of authority adopted by the Board, to ensure the loyalty of employees and maximize the value of the company.
- 6) Determine the competencies and responsibilities of all employees of the company in accordance with the applicable work regulations and the decisions of the Board of Directors.

Secretary of the Board of Directors

Mr. Abu Taleb Mahmoud is the Secretary of the Board of Directors. He coordinates between the members of the Board of Directors and the company's management through:

- 1) Preparing, and organizing the logistics of the meetings of the Board of Directors and the Committees, assisting the Chairman of the Board in preparing the agenda of the meetings, and preparing information, data and details related to these topics and sending them to the members well in advance of the meeting.
- 2) Assist the Chairman of the Board in the preparation and organization of the meetings of the General Assembly of Shareholders and manage its logistics.
- 3) Follow up the issuance and implementation of the decisions of the Board of Directors and inform the concerned departments thereof, as well as prepare follow-up reports on what has been done in this regard.
- 4) Keeping and documenting everything related to the decisions of the Board and the topics presented to it, while ensuring that the Council receives important information in a timely manner.
- 5) Coordinate with all committees of the Board to ensure effective communication between those committees and the Board of Directors.
- 6) Coordinate with the concerned committees in order to provide the necessary information to support the Chairman of the Board in the process of evaluating the Members of the Board and Members of the committees, and the proposals submitted by the Board to the General Assembly regarding the selection or replacement of one of the members.

Board Committees

Audit and Governance Committee

In accordance with the Capital Market Authority's Resolution No. (30) issued on 18/6/2002, regarding the rules for listing, trading and delisting of securities, an Audit Committee was formed, and is composed of the non-executive members of the Board of Directors, as per the decision of the Board taken on 28/10/2007. According to the minutes of the Board of Directors held on 31/3/2022, the Committee is organized as follows:

#	Member name	Function	Position	Join date
1	Hani Salah Sarie El-Din	Independent	Chairman of the Committee	04/03/2014
2	Hossam El-Din Mohamed Abdallah Helal	Non-executive, independent	Member	30/11/2007
3	Mohammad Abdel Aziz El-Toukhy	Independent	Member	01/03/2017

Key terms of reference of the Audit and Governance Committee:

1. Examination and review of the Company's internal control procedures.
2. Examination and review of accounting policies applied by the Company and changes resulting from application of new accounting standards.
3. Examination and review of internal audit function, procedures, plans and results.
4. Examination and review of periodic administrative information provided to different administrative levels, its preparation systems, and timing of its presentation.
5. Examination of procedures to be followed in preparation and review of the following:
 - a. Periodic and annual financial statements
 - b. Prospectuses of public or private offering of securities
 - c. Estimated budgets, including cash flow statement and estimated income statement.
6. Ensuring the application of necessary control methods to preserve the Company's assets and the periodic evaluation of those administrative procedures to ensure compliance with the rules and preparing reports to the Board of Directors.
7. The Committee is responsible to verify management's response to the recommendations of the Company's auditors and the Egyptian Financial Supervisory Authority.
8. Other powers that the Company's Board of Directors deems appropriate, and in accordance with the rules of listing and delisting securities on the stock exchange.

The Committee is responsible to verify management's response to the recommendations of the Company's auditors and the Egyptian Financial Supervisory Authority.

Other powers that the Company's Board of Directors deems appropriate, and in accordance with the rules of listing and delisting securities on the stock exchange.

Remuneration and Nominations Committee

#	Member name	Function	Position	Join date
1	Hossam El-Din Mohamed Abdallah Helal	Non-executive, independent	Chairman of the Committee	30/11/2007
2	Hani Salah Sarie El-Din	Independent	Member	04/03/2014
3	Mohamed Bahgat Ahmed Samih Talaat	Independent	Member	31/03/2022

Key Terms of Reference of the Remuneration and Nomination Committee

1. Recommending the nomination of the Members of the Board of Directors in light of the criteria set by the Board and approved by the General Assembly of the Company.
2. Periodic and continuous review of the required skills, appropriate to the Members of the Board of Directors and the preparation of a statement of the qualifications required for membership of the Board of Directors.
3. Review the composition of the Board of Directors and make recommendations on the changes that can be made and notify the Board of this in preparation for submission to the General Assembly.
4. Continuously verify the independence of independent members and the absence of conflicts of interest if the member is a member of the board of directors of another company.
5. Proposing policies for remunerating board members and senior executives and using performance-related criteria in determining these rewards, within the framework of using performance-related criteria.
6. Proposing the financial compensation received by the Members of the company's Board and the company's key senior executives.

Executive Committee

The Executive Committee is chaired by the CEO and Managing Director and includes in its membership the Deputy CEOs, it holds its meetings periodically in the presence of the directors of the key sectors and departments in order to follow up the work of the Group and follow up the implementation of executive and operational decisions through periodic follow-up reports, and to ensure the application of all policies, regulations and internal systems of the company.

Schedule of meetings of the Board of Directors and Committees

Follow-up schedule and attendance of Members to the meetings of the Board, Committees and the General Assembly during 2023

#	Member Name	Board of Directors and General Assembly	Audit and Governance Committee	Remuneration and Nomination Committee
1	Tarek Talaat Mustafa	6	-	-
2	Hesham Talaat Mustafa	6	-	-
3	Hani Talaat Mostafa	6	-	-
4	Yehia Mohammad Awad Bin Ladin	6	-	-
5	Jehad Mohammad Mari Al Sawaftah	6	-	-
6	Ahmed Ashraf Ali Kajouk	5	-	-
7	Hossam El-Din Mohamed Abdallah Helal	6	4	-
8	Hani Salah Sarie El-Din	6	4	-
9	Mohammad Abdel Aziz El-Toukhy	6	4	-
10	Mohamed Bahgat Ahmed Samih Talaat	6	-	-
11	Siham Mohammed Al-Saeed	6	-	-
12	Heba Samir Zaki Abdel Malak	6	-	-

4. Regulatory Environment

Internal Control System

The Board of Directors of the company is responsible for the internal control system of the Company and reviews it annually to ensure its effectiveness. This is done by adopting responsibilities and governance structures that will effectively achieve the tasks of internal control and ensure the efficiency and continuity of the Company's internal control, and adopting a set of policies, procedures and work ethics to work on:

- Full separation between the responsibilities and powers of all employees of the company.
- Ensure the accuracy and quality of information, so that it provides, whether for the company or others, 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 such assets in the company's records.
- Increase the production efficiency of the company and achieve its goals at the lowest costs and maintaining or improving the quality.
- Ensure the accuracy of the execution of instructions, with the aim of ensuring that all instructions are carried out properly.
- Ensure the application of corporate governance rules, through the strict implementation of various governance instructions and rules.

The Audit Committee submits its report to the Board of Directors every three months, and the Committee has the right to request information from any management in the company and exercises its powers in accordance with the decision of the Board of Directors of the Financial Regulatory Authority.

Internal Audit Department

There is an independent department for internal audit in the company headed by Mr. Tamer Shams and the role of the department is to evaluate and improve the effectiveness of internal control, and the company's management system to enable the achievement of the company's objectives, protect its assets and add value to the company.

Scope of work of the internal audit department

Periodic inspection of departments, including control and risk management systems in the company, during appropriate periods to determine whether administrative, accounting and control tasks and functions are being performed effectively, in accordance with the policies, procedures and instructions adopted by the company and in accordance with the company's objectives and best management practices, including the following:

- The means and methods used to preserve and protect the company's assets, including information assets, from the risk of theft, damage, destruction, misuse, negligence, inefficiency, improper business practices, inappropriate disclosure or corruption.

- The extent to which the security and integrity of financial and operational information prepared within the company can be relied upon, and the means used to identify, measure, classify and report on that information.
- Systems in place to ensure compliance with policies, plans and procedures that have an impact on the company.
- The extent of effectiveness and efficiency in the use of resources at a reasonable cost.
- Inform the responsible employees in the department that has been examined of the results of the examination carried out by the internal audit and the opinions and recommendations reached in order to verify that the necessary measures have been taken to address the weaknesses found.
- Evaluate the plans and actions taken by the relevant departments to address the observations and recommendations contained in the audit report, and in case of insufficient actions taken, this matter is discussed with the responsible staff to ensure the adequacy of the measures taken.
- Assist in the planning, design and development of information systems in order to ensure that there is adequate control over the systems, and that all systems inspection procedures are carried out in a timely manner.
- Provide advisory services at the request of the Board of Directors, Audit Committee, or Executive Management to help improve the effectiveness and efficiency of the Company's operations. , and carry out investigations of cases of fraud, corruption, or any special examinations at the request of the Board of Directors, the Audit Committee or the Company's management, or if the internal audit has sufficient evidence to show the possibility of such cases.
- Develop an audit plan for the departments to be examined, based on an estimate of the risks in the Company as a whole, and the management provides quarterly and annual reports, in addition to reports on specific work and tasks.

Controller

The company's auditors are appointed by the Audit and Governance Committee and presented to the Board of Directors and subsequently to the General Assembly of the Company at the end of the fiscal year. Mr. Sherif Fathy al Kilani - Solidarity Accounting and Auditing (EY) and Mr. Samir Anas Abdel Ghaffar RSM Egypt - Chartered Accountants (RSM Egypt), have been appointed as the Company's auditors in accordance with the decision of the Ordinary General Assembly on 20/3/2023. The auditors submit their quarterly report on the periodic financial statements of the Company, and their annual report on the independent reviewing of the financial statements to the members of the general assembly of the company. The auditors are provided with responses to their inquiries regarding the company's financial statements and all procedures related to audit and governance work in a timely manner.

5. Disclosure and transparency

Material information, financial and non-financial disclosure

The company is committed to the disclosure requirements set by the Financial Supervisory Authority and the Egyptian Exchange, and the company seeks to achieve the goal of transparency by disclosing the company's financial and non-financial information through the disclosure of its annual and periodic financial statements, annual and periodic auditor's reports, as well as the Board of Directors' report, accounting policies, estimated budgets, material information and information about the Board Members, shareholders' structure and dividends, through the company's website, and handing them over to the Disclosure Department of the Egyptian Stock Exchange, as well as publishing in daily newspapers regarding the periodic and annual financial statements and the executive management report.

The company also discloses through periodic and annual financial reports, the Egyptian Exchange and the company's website the following information:

- Internal information that includes the company's objectives, vision, nature of activity, company plans and future strategy.
- Ownership structures of sister companies and subsidiaries.
- Related party transactions and netting contracts.
- Disclosure to its shareholders and regulators about treasury shares.
- Providing the Authority and the FRA with the resolutions of the Ordinary and Extraordinary General Assembly immediately upon its termination and no later than before the start of the first trading session following the end of the meeting, and the company is obligated to provide the FRA 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 of Directors.
- Provide the FRA with the minutes of the meetings of the General Assembly approved by the competent administrative authority within a period not exceeding three working days from the date of receipt.
- Provide the Authority and the FRA with a summary of the resolutions containing material events issued by its Board of Directors immediately upon its termination and no later than before the start of the first trading session following the end of the meeting.
- Provide the Authority and the FRA with a statement approved by the Company's Board of Directors of the most important results of its business compared to the corresponding period in accordance with the form prepared for this purpose by the FRA, as soon as the Board of Directors completes the approval of the annual or quarterly (periodic) financial statements in preparation for referring them to the auditor to issue his report. Such disclosure shall 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 on cash distributions, bonus dividends or both.
- Disclosure when the ownership of a shareholder and its related parties exceeds or decreases below 5% of the total number of securities representing the capital of the company listed on the EGX, or representing the voting rights therein, including shares that were subscribed for by purchasing the subscription rights.
- Disclosure of the future investment plan and the shareholder's directions regarding the management of the company if the purchased percentage by it and by associated parties reaches 25% or more of the company's capital or voting rights.
- Disclose immediately after the issuance of any judicial rulings depriving freedom against a Member of the Board of Directors of the Company or one of its main officials.

6. Investor Relations

The Company's Investor Relations Department, headed by Mr. Jehad Mohammad Mari Al Sawaftah, works to improve the quality of investor relations services by working on the company's communication with the investment market, opening channels of communication with investors and conveying market views and investors' concerns to the Board of Directors on an ongoing basis, through continuous contacts with portfolio managers, financial analysts, brokers and other market players while activating and consolidating the relationship with current and prospective investors through the following:

1. Participate periodically in conferences and meetings related to investment in Egypt and abroad.
2. Meet with potential investors and develop strategies to target and attract new long-term investors.
3. Enhancing the company's image in the financial markets and in the financial media.
4. Establish a lasting relationship with financial analysts through private and public meetings, conferences, forecast studies, feedback inquiries and analysis.
5. Writing and distributing periodic and annual financial reports and press releases.
6. Coordinate internal financial reporting sources and ensure appropriate interpretation of data.
7. Partnering with the company's financial department regarding matters to be disclosed.
8. Enhance participation on the company's webpage, prepare the disclosure reports required from the company and prepare investor relations pages on the company's website and update them continuously.
9. Maintaining existing investors and attracting new investors by educating the market about the company's business and future growth opportunities, and identifying the factors that affect its profitability.
10. Communicate with analysts, investors and media representatives and provide information to reduce rumors and incorrect data that lead to fluctuations in trading prices and volumes.

11. Organizing the information issued by the company in accordance with the applicable disclosure rules.
12. Establishing and following up a database of investors, financial analysts and portfolio managers.

During 2023, the Group's management and team managed the Investor Relations Department with the following:

- Participation in many major investment conferences in Egypt and abroad, organized by local and regional investment banks, in person and virtually, to constantly inform the investment community of the progress made by the company in implementing its investment strategy and communicating the company's outstanding financial and operational performance.
- Actively interact with investors and financial analysts, showcasing the Group's pioneering developments to existing and new investors, including residential neighborhoods, the Open Air Mall, sports clubs, and other assets, as well as the Group's hotels in Cairo. These field visits were of paramount importance in showcasing the potential for creating more value in sectors such as recurring income, supported by a large affluent population residing in the company's cities. These field visits also helped showcase the significant recovery and progress made in increasing footfall and occupancy in selected properties following the systemic pressures created by the COVID-19 pandemic starting in 2020.
- Maintain regular communication with investors and analysts to keep abreast of all events related to the company's performance and guide the investor relations narrative accurately for Talaat Moustafa Group. Communicate with buy-side analysts to follow up on the company and the market, as well as new reports issued by research houses and other market participants and carry out investor awareness and awareness activities. Prepare periodic reports to the Group's management on the performance of the company's shares, the stock market and related news.
- The team was also heavily involved in the renewal of the company's corporate and investor relations website.
- Daily follow-up on the performance of the company's shares, the stock market and related news.
- During the fiscal year 2023, TMG Holding's share price saw an increase of 136%, outperforming its peers (the performance of EGX 30 index increased by 65.5% and EGX RE index increased by 65%).

7. Disclosure Tools

Board of Directors Report

The company issues an annual report in accordance with the Companies Law No. 159 of 1981 and its executive regulations, to be presented to the General Assembly of Shareholders and the regulatory authorities, in addition to the executive management's report on the periodic financial statements.

Disclosure Report

The company issues a quarterly disclosure report on the structure of shareholders and members of the board of directors prepared by the company's management with the assistance of its investor relations department, in addition to other disclosure statements about the company's activities.

Website

The company's website www.talaatmoustafa.com, divided into Six main sections that include the financial and non-financial statements of the company and its various projects:

1. Company Profile
2. Cities and urban communities
3. Hotels & Resorts
4. News and Events
5. Investor Relations
6. Contact Us

8. Codes & Policies

Code of Ethics and Professional Conduct

It is for the employee to perform his job duties honestly, fairly and objectively, and to work continuously to achieve the objectives of the group, and that his exercise is within the limits of the powers vested in him, and that he performs his work in good faith, free from bad intention, negligence, violation of the law, or damage to the public interest, to achieve a private interest for him or others. The company carries out its business with honor and integrity, respecting the interests of the business partners while adhering to the Group's policies and prevailing business principles. All members of the company are always committed to maintaining the company's good reputation and should focus on the following points of the company's policies such as: conflict of interest, dealing with others, maintaining the confidentiality of information, accepting and giving gifts, bribery and corruption, non-discrimination, compliance with laws and regulations, and preventing sexual harassment.

Succession planning

Preparing a career ladder and emphasizing the values of commitment and scalability at all administrative levels of the group. The preparation of the system of building a Succession Plan in order to ensure the continuation of work of the Group, where alternatives must exist for vital leadership positions to ensure the sustained implementation of the vision of senior management (without association or influence with people in the event of any accident), from existing employees or by hiring new employees.

Whistleblowing Policy

Whistleblowing is the process used to report unethical matters within the company and can include wrong acts, illegal behavior, wrong financial practices, or risks to employees or the group. Talaat Moustafa Group is keen to provide the policy to protect the person who made the report to ensure that the group's employees and others are encouraged to take the initiative to detect and report violations while ensuring complete confidentiality for the reporting person, taking into account that the reporting process is based on objective documents or information.

Whistleblowing Policy

The company takes the necessary measures aimed at controlling insiders' trading operations on the company's shares, regulating relations with related parties and concluding netting contracts in accordance with the rules of the Financial Regulatory Authority through:

1. Not to allow any of the insiders or related parties to deal on the company's shares within 5 working days before and one working day after the publication of any material news, with the notification of the FRA.
2. Notify the Banking Stock Exchange Disclosure Department immediately after changes to the composition of the Board of Directors or Executive Directors.
3. Not allowing the period of dealing of insiders to exceed one month from the date of delivery of the FRA notification of dealing.
4. A schedule is made to follow up the insiders' transactions on the company's shares during the year.

Follow-up schedule of insiders' transactions on the company's shares

There is no internal dealing on the company's shares.

Social and Environmental Responsibility Policy

Talaat Moustafa Holding Group is keen to continue to play its role in achieving social balance in the Egyptian Society. Based on the premise that good investments stem from the surrounding community environment, the Group's companies have provided moral and material support for many charitable activities and funds, out of the Group's enthusiasm in embodying social responsibility as an ethical and professional value, so to achieve real development of society and the improvement of citizens' quality of life. During the last 5 years, the Group has allocated more than EGP5 billion in supporting local communities, and the Group has implemented a concept of social responsibility based on embarking into long-term investments that will ensure sustainable benefits, through the adoption and implementation of initiatives centered on the people's well-being, creating strong bases for the future and serving the community in all fields, especially in the sectors of education, health, economic empowerment, to educate students in the servicing and improving the community.

During 2023, the Group's companies donated EGP371 million to contribute to developmental, social and health projects, managed and implemented through government agencies and various publicized community associations for the benefit of the Egyptian people. The most important of these development projects are:

- Decent Life Initiative
- Egyptian Food Bank
- Ahl Masr Foundation
- Al-Rehab and Orman Associations and Baheya Foundation
- Magdi Yacoub Hospital

Hesham Talaat Mustafa

Chief Executive Officer & Managing Director

