



# EGYTRANS

## Board Evaluation Results 2017

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Presented by:

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Corporate Governance and Sustainability  
Manager - Corporate Secretary



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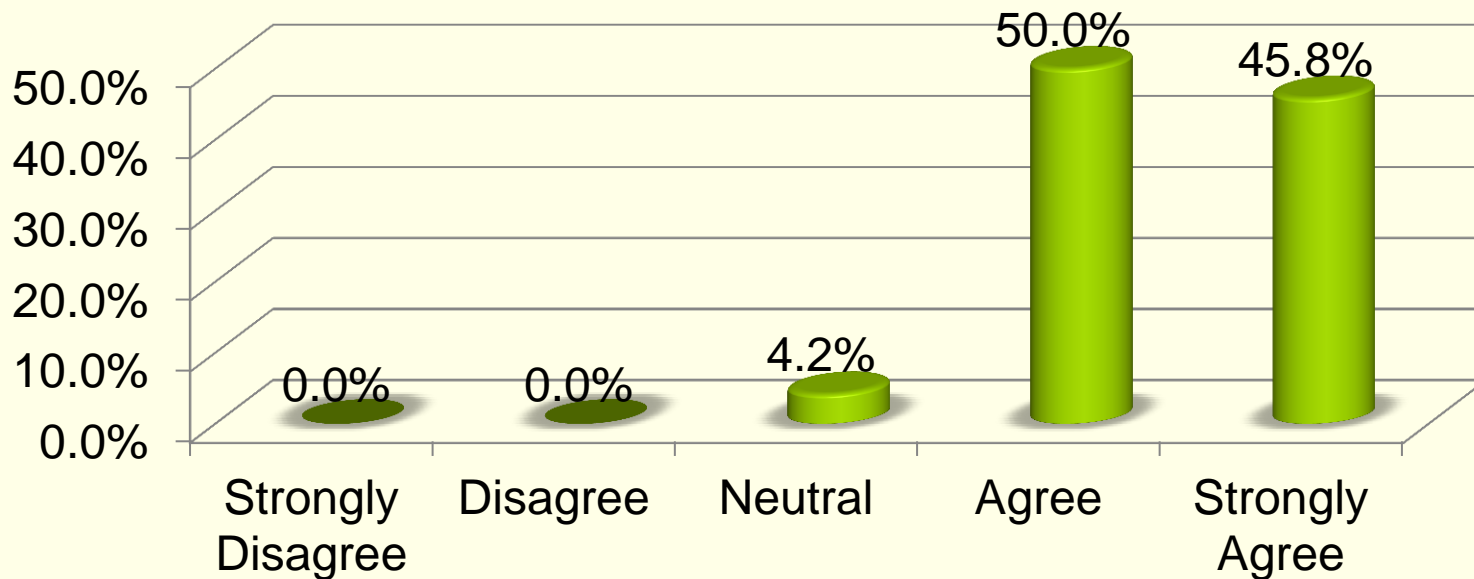
# Evaluation Parameters

- This year, Board performance was evaluated as a whole not individually.
- A questionnaire was developed to evaluate Board performance for the year 2017 and completed by every board member anonymously.
- This questionnaire included a series of questions in the following areas:
  - Roles & responsibilities
  - Board organization & support
  - Board Committees
  - Agendas & meetings
  - Board development
  - Director competencies & diligence
  - Relationships with stakeholders
  - Management control environment
- The results were analyzed and the most important indicators are shown in the following slides

## Board Evaluation Results 2017



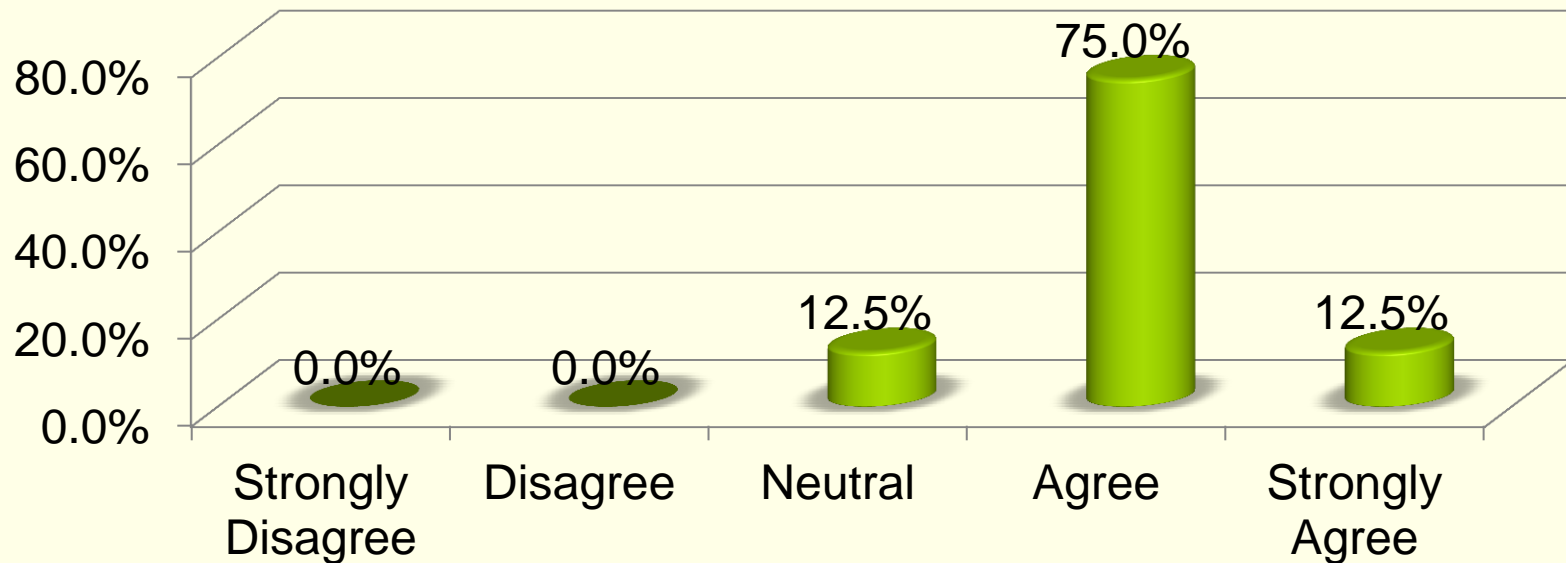
# 1.1. Roles & Responsibilities



- Board's roles and responsibilities are clearly defined vis-à-vis management.
- Board committee functions are clear and defined vis-à-vis the rest of the board.
- Board understands both its stewardship and oversight duties (esp. Risk & Control).



## 2.1. Succession Planning



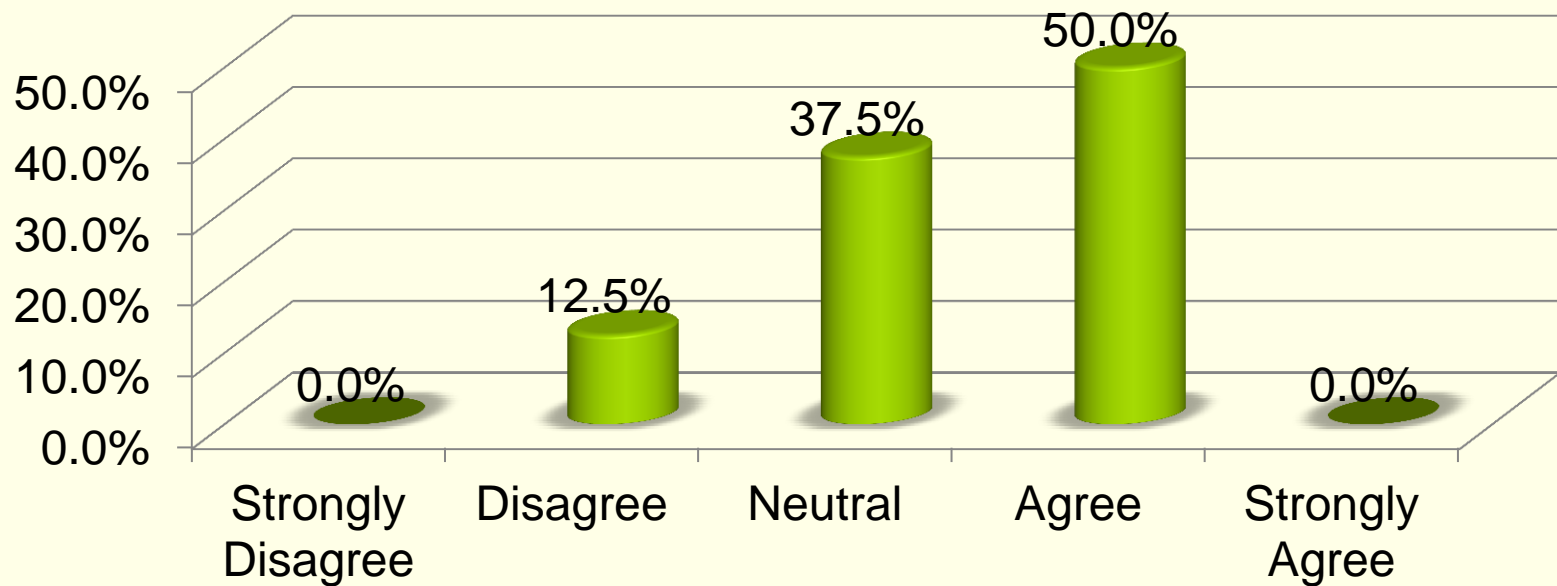
- The board has as one of its key roles, development of a succession plan for key management positions, including the CEO and other C-level executives





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# 3.1. Oversight of Risk Management

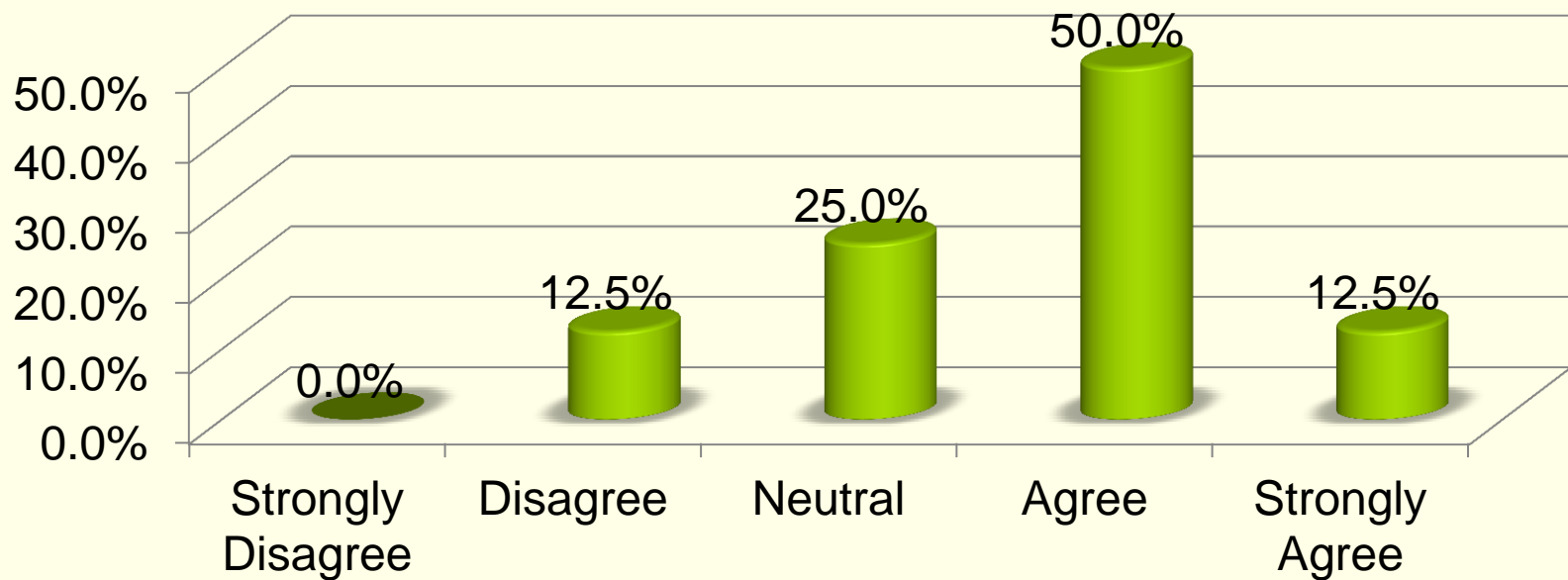


- The board actively oversees the risk management policies and frameworks of the organization, reviews reports on enterprise risk, determines the risk appetite for the organization, and ensures management processes to help mitigate risk are working effectively.



# 4.1. Oversight of Internal Control

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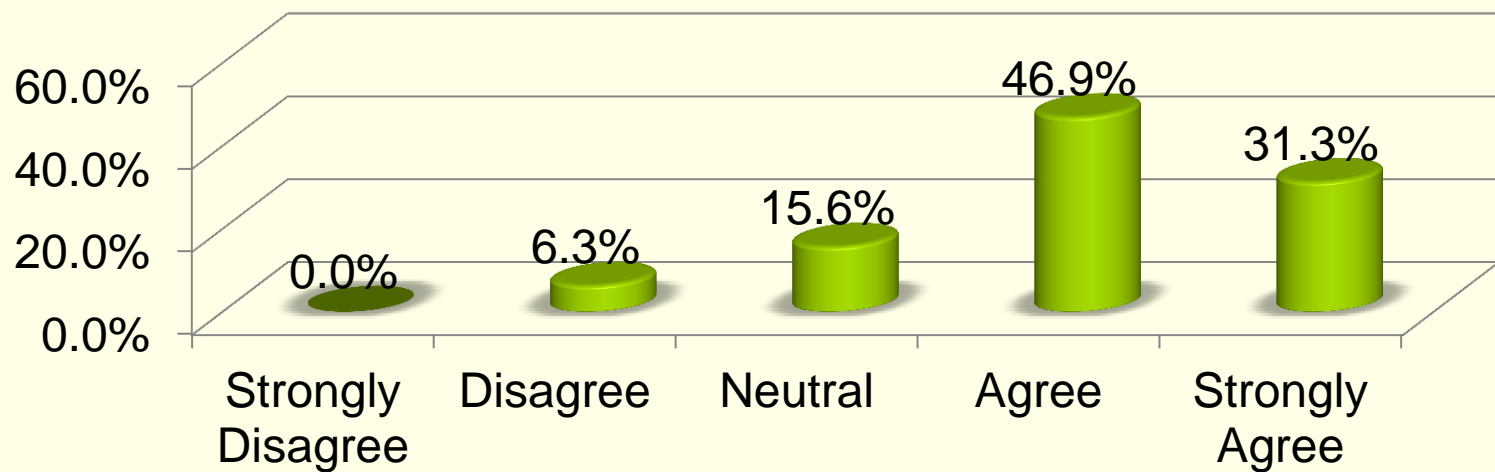


- The board oversees the internal control framework of the organization to ensure it is designed appropriately, addressing all types of key risks, and tested routinely for effectiveness.



# 5.1. Oversight of Audit & Compliance

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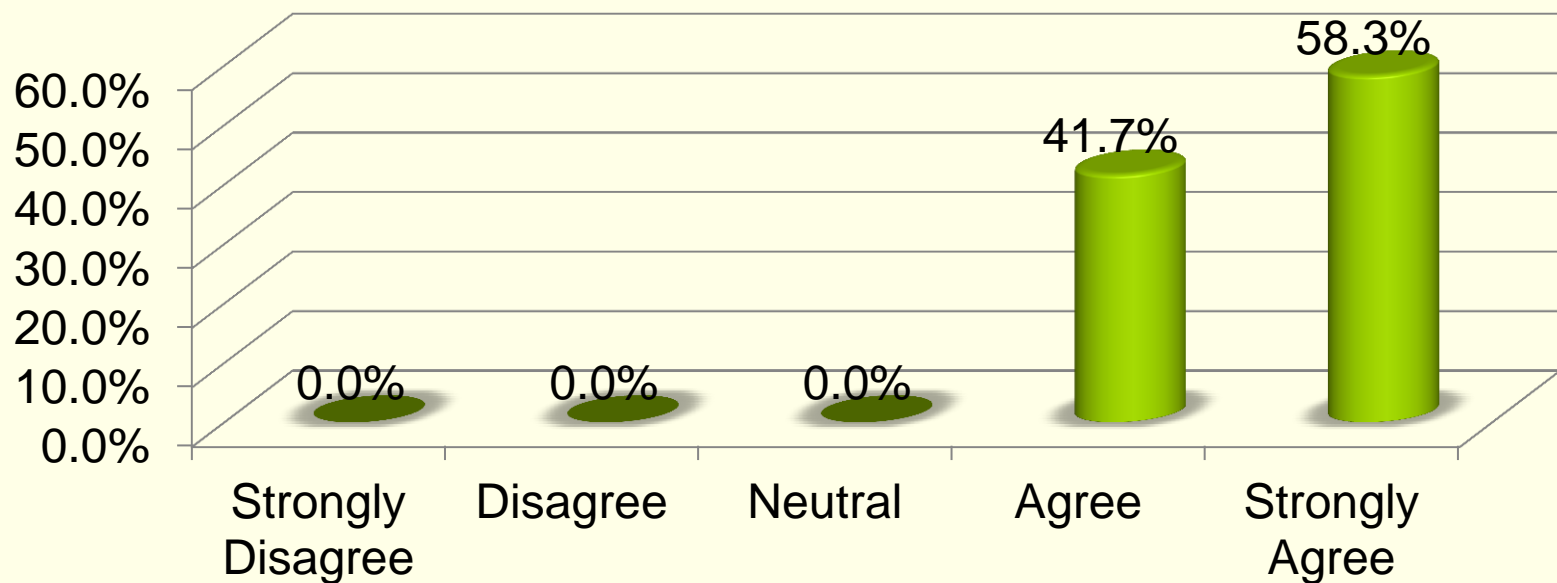
- The board ensures that there is an independent internal audit function in the organization, reporting to the board directly.
- The board receives regular internal audit reports from the IA function and ensures there is adequate follow-up on corrective actions.
- The board ensures there is a fully independent, qualified external auditor reviewing the accounts and controls of the company.
- The board ensures there is an active compliance function in the organization monitoring compliance with external laws and regulations and internal codes.

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## 1.2. Board Composition



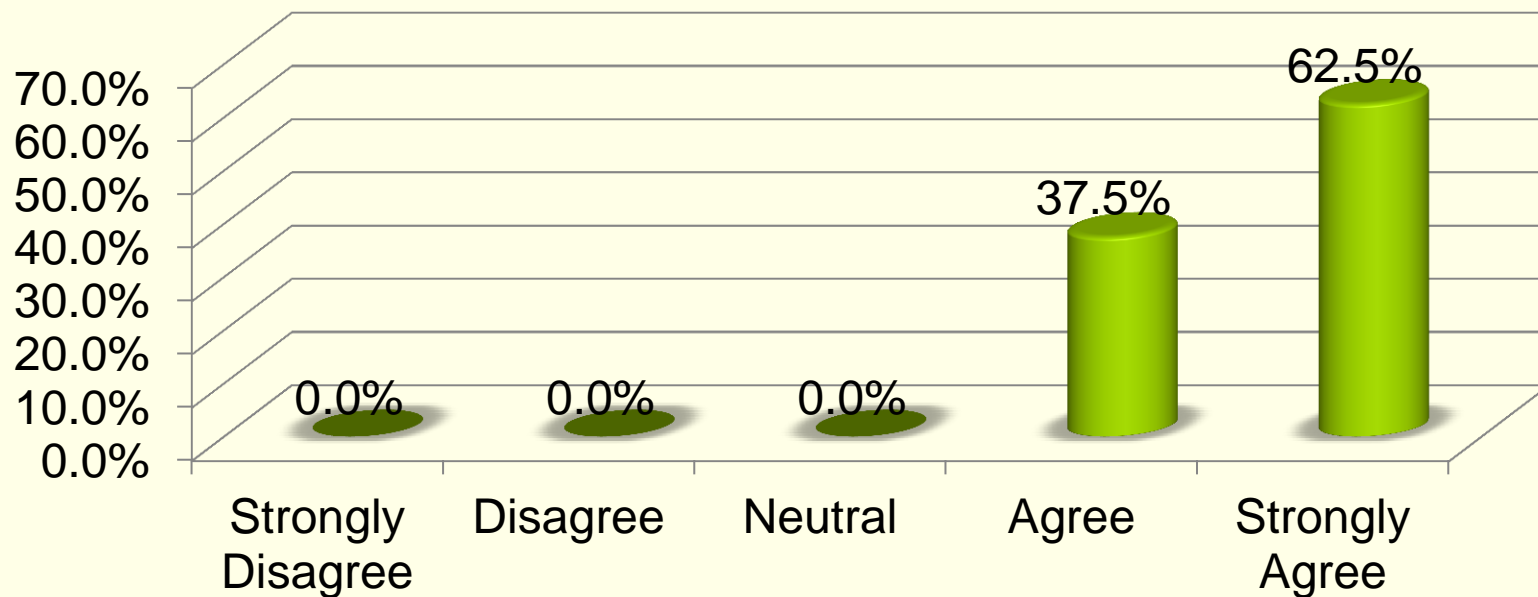
- The board is the right size and possesses the right mix of skills to adequately direct and control the company given its strategic direction.
- Executive vs. Non-Executive mix is appropriate.
- Level of independence/objectivity is appropriate; level of financial literacy is adequate.

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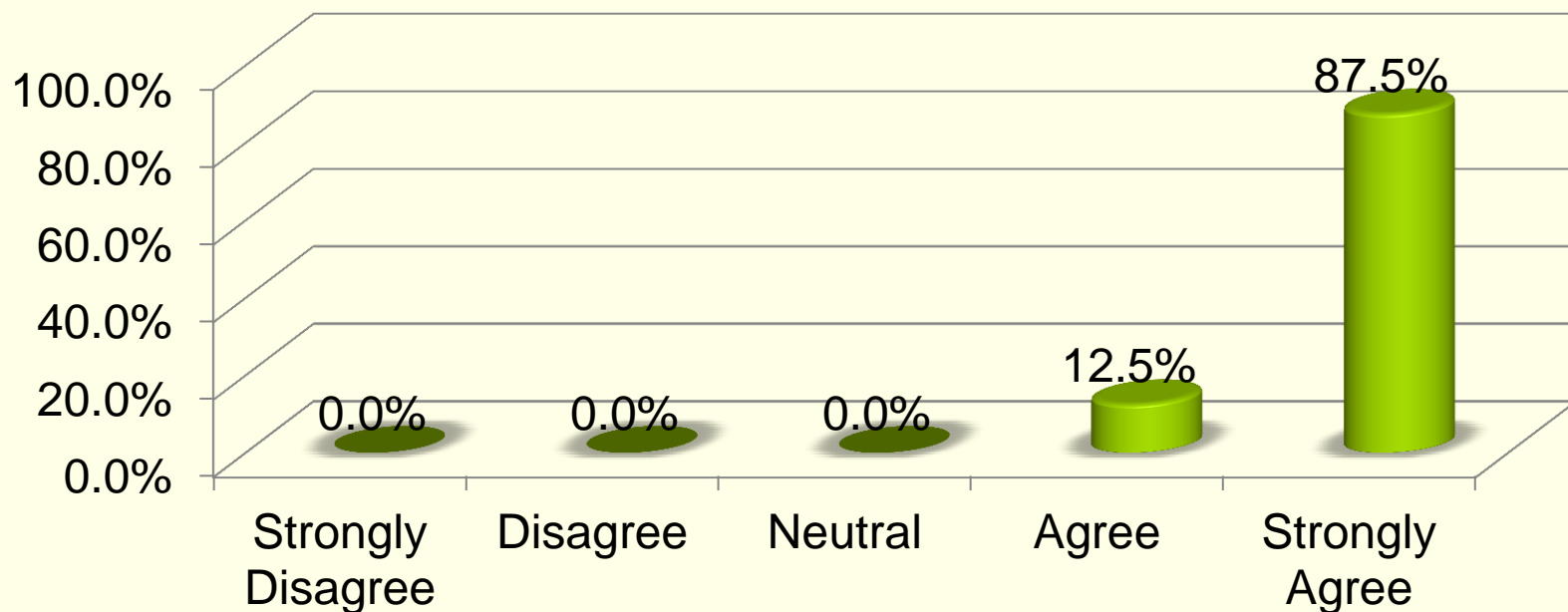
## 2.2. Chairman Role



- The Chairman ensures board is effectively fulfilling its duties and responsibilities, establishes meeting agendas, communicates with other members, and facilitates meeting discussions to ensure full participation and constructive debate.



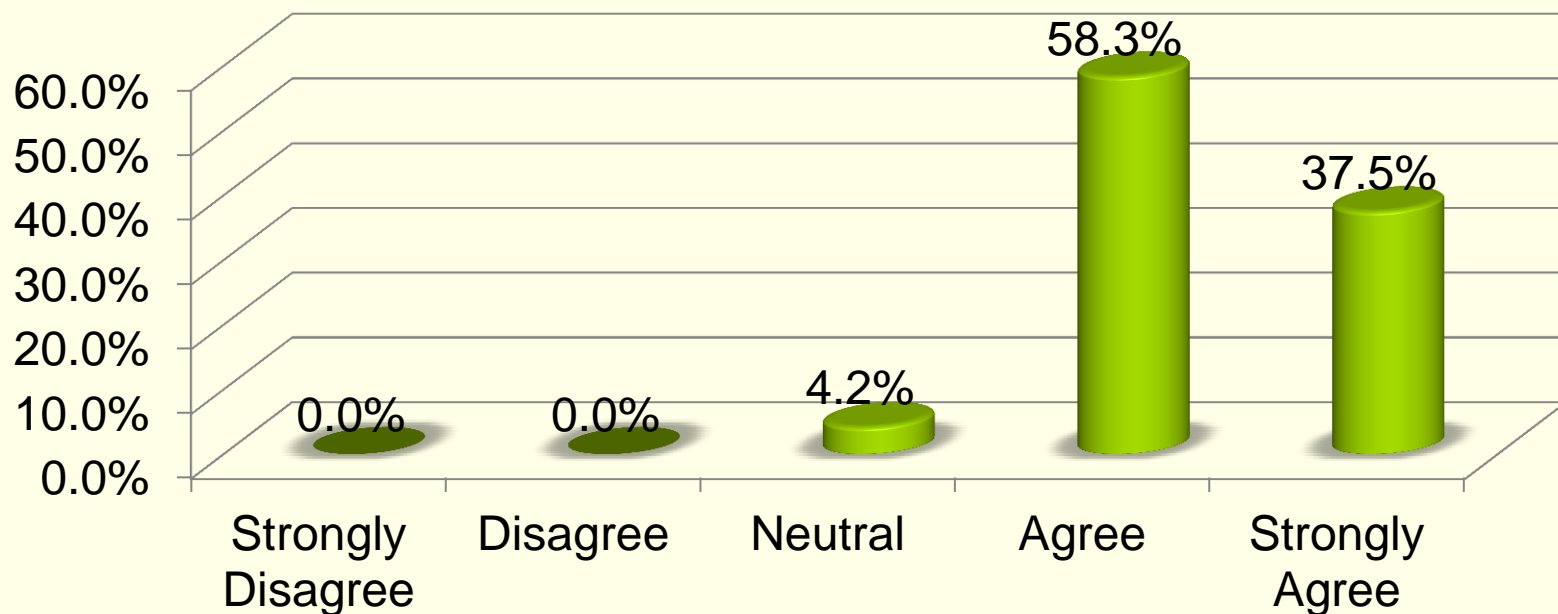
## 3.2. Role of Corporate Secretary **EGYTRANS**



- The board has a corporate secretary that ensures adherence to governance policies , facilitates the flow of information to the board, and supports the chairman as needed.



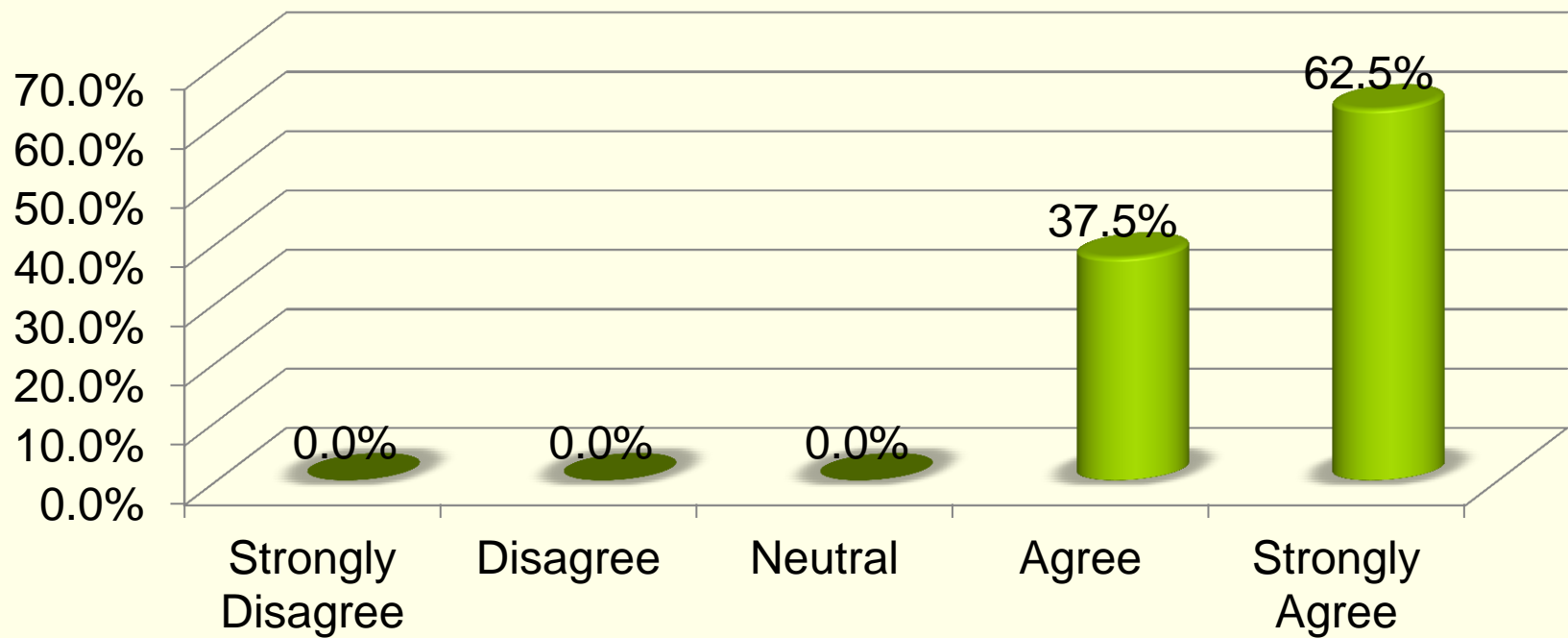
# 1.3. Committee Structure



- Board has the right committees in place to adequately discharge its duties.
- Board committees are clearly defined with formal procedures and correct mix of members.
- Board committees meet defined regulatory requirements.



## 2.3. Committee Effectiveness

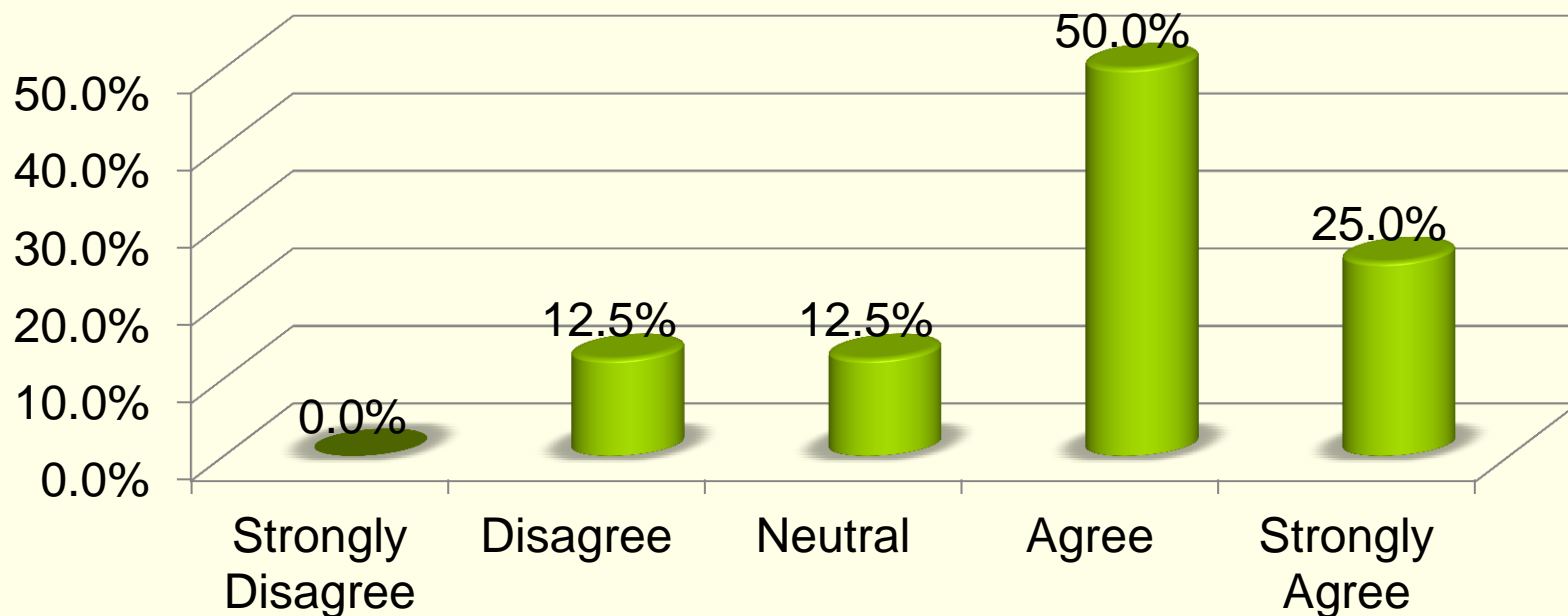


- Board committees provide useful recommendations allowing for better decision-making.





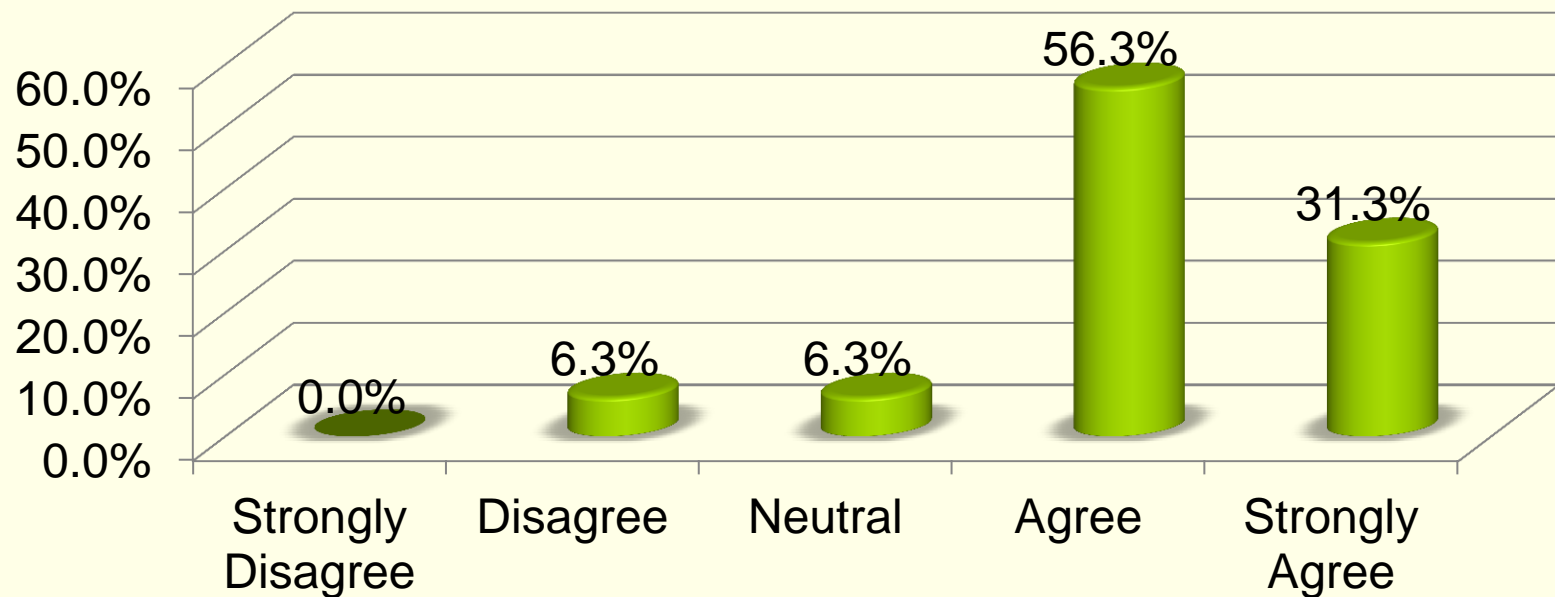
# 1.4. Annual Plan



- The board prepares an annual plan describing the topics to be covered over the course of the year and the timing of those topics as well as other key objectives it hopes to accomplish.



## 2.4. Agenda Items

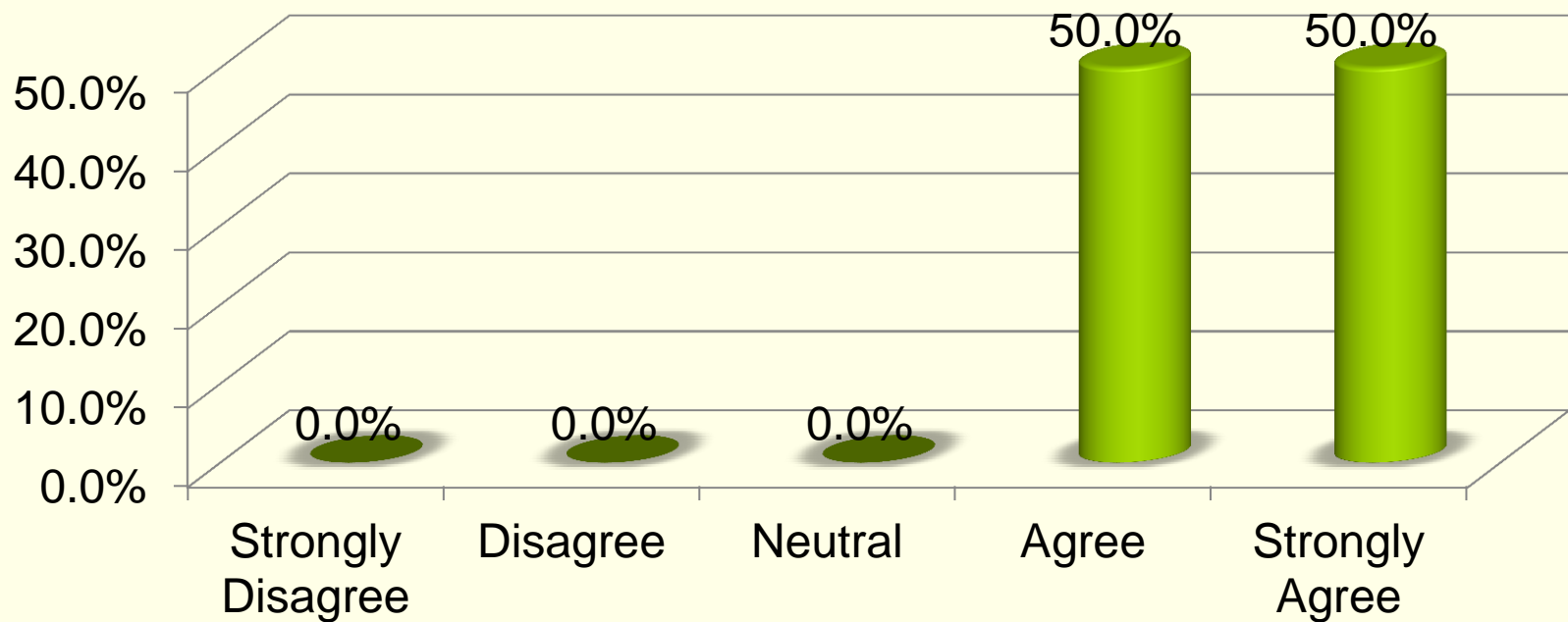


- Board has formal agenda that is distributed in advance to its members.
- Agenda is structured and addresses topics as set in annual board plan, plus other pertinent topics.



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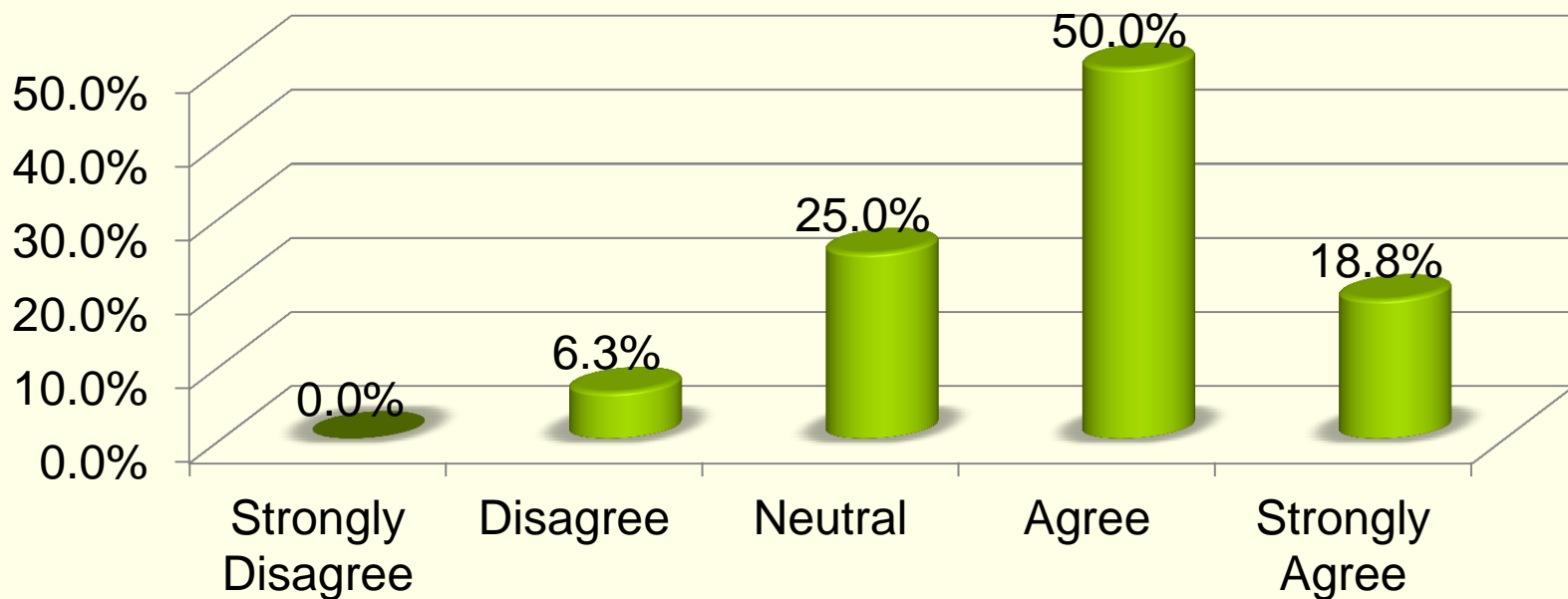
## 3.4. Meeting Frequency



- The board and committees meet the appropriate number of times to adequately stay abreast of company events and discharge its duties effectively.
- Meeting lengths are appropriate to allow enough time to adequately discuss agenda items.



## 4.4. Meeting Information

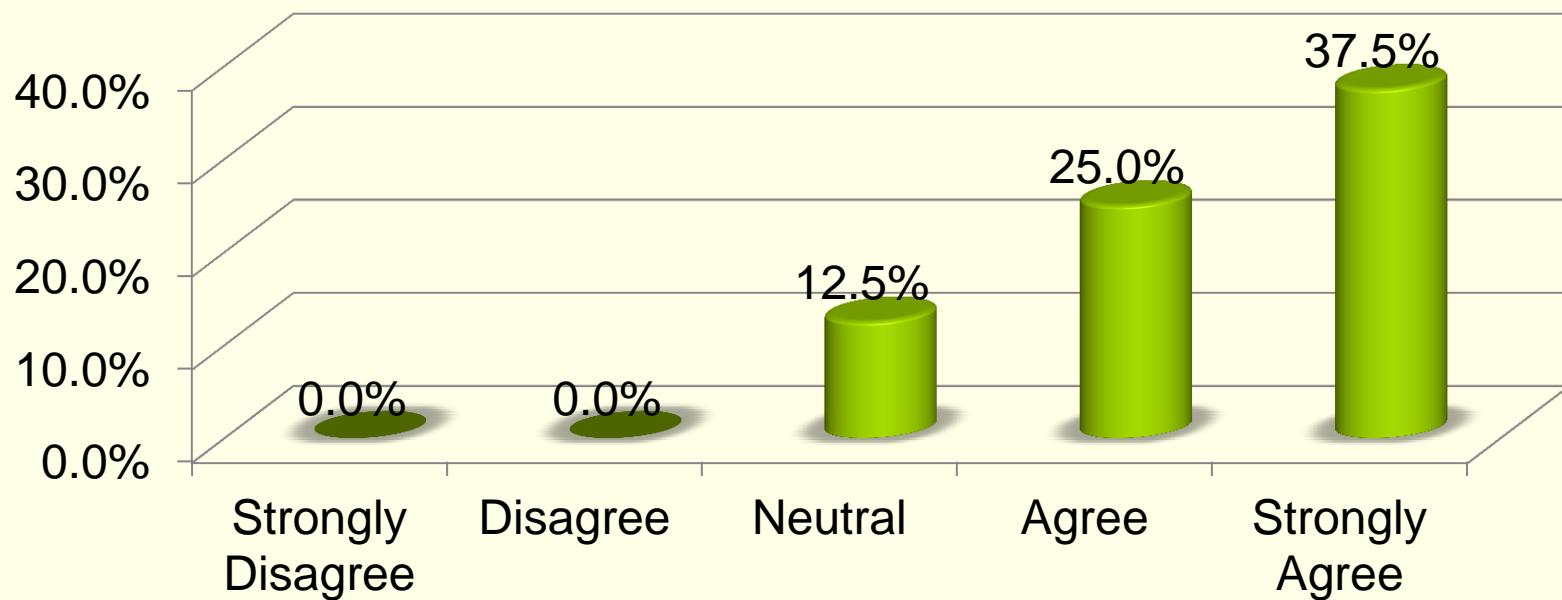


- Information to support particular agenda items is prepared and distributed to members in advance to allow time to review.
- Information is succinct, informative, and insightful and facilitates decisions to be taken (where necessary).





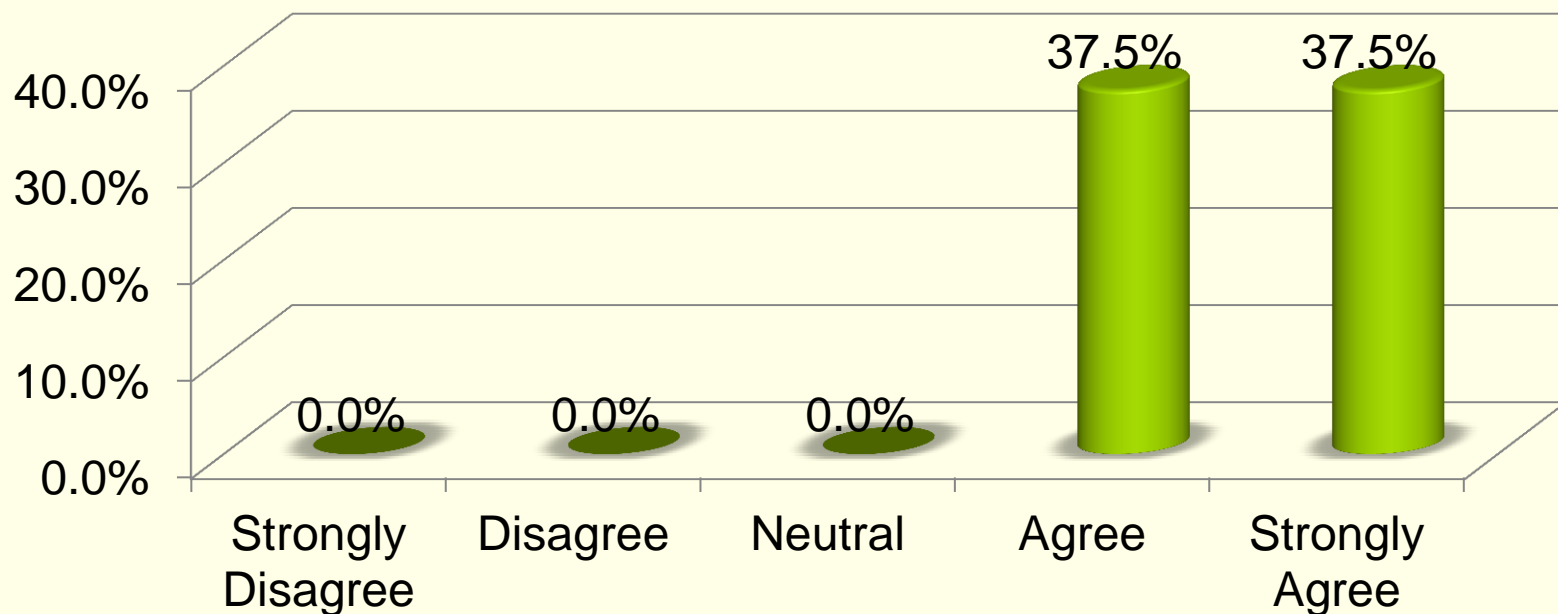
## 5.4. Meeting Minutes



- The board prepares formal minutes that are circulated timely after the meeting to all members for approval.



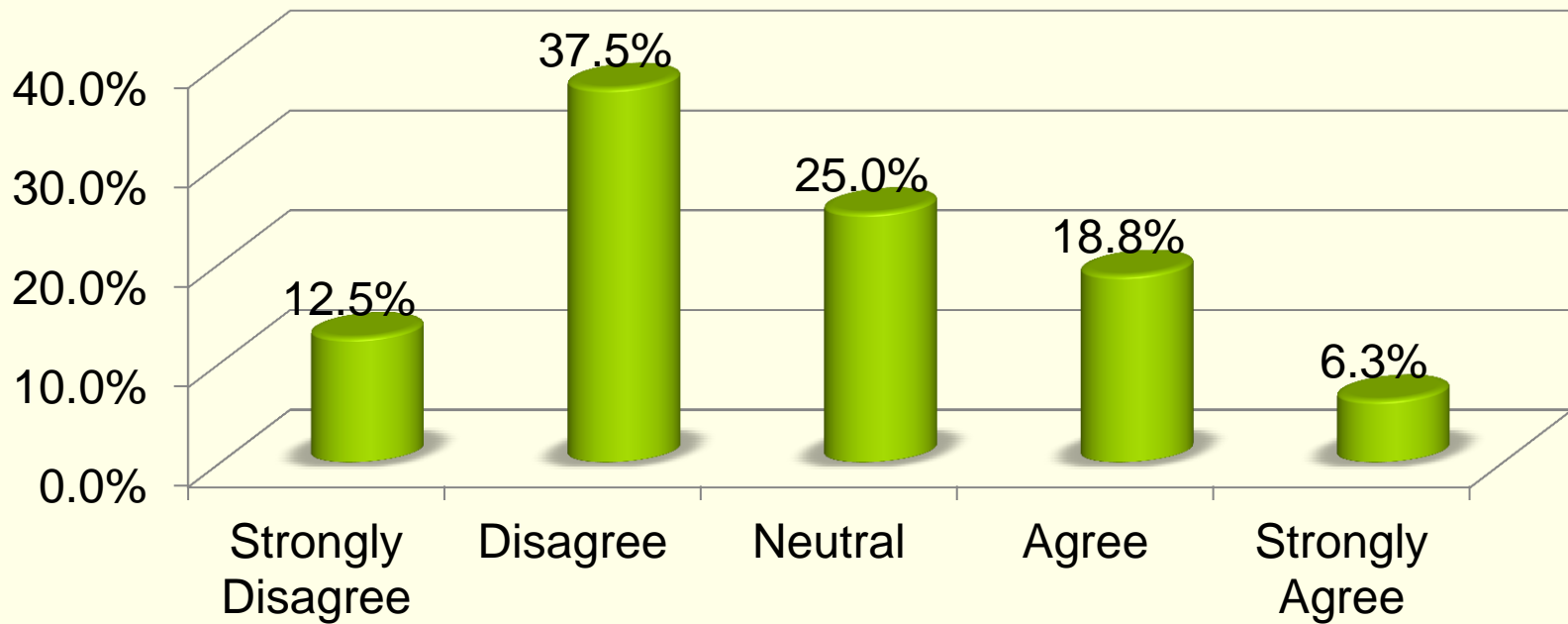
## 6.4. Board Discussions



- The board has full, open, candid discussions of issues and objectively considers matters in adequate depth before taking a decision.
- Members contribute fully to meeting discussions ,as needed, to ensure a range of perspectives are considered.



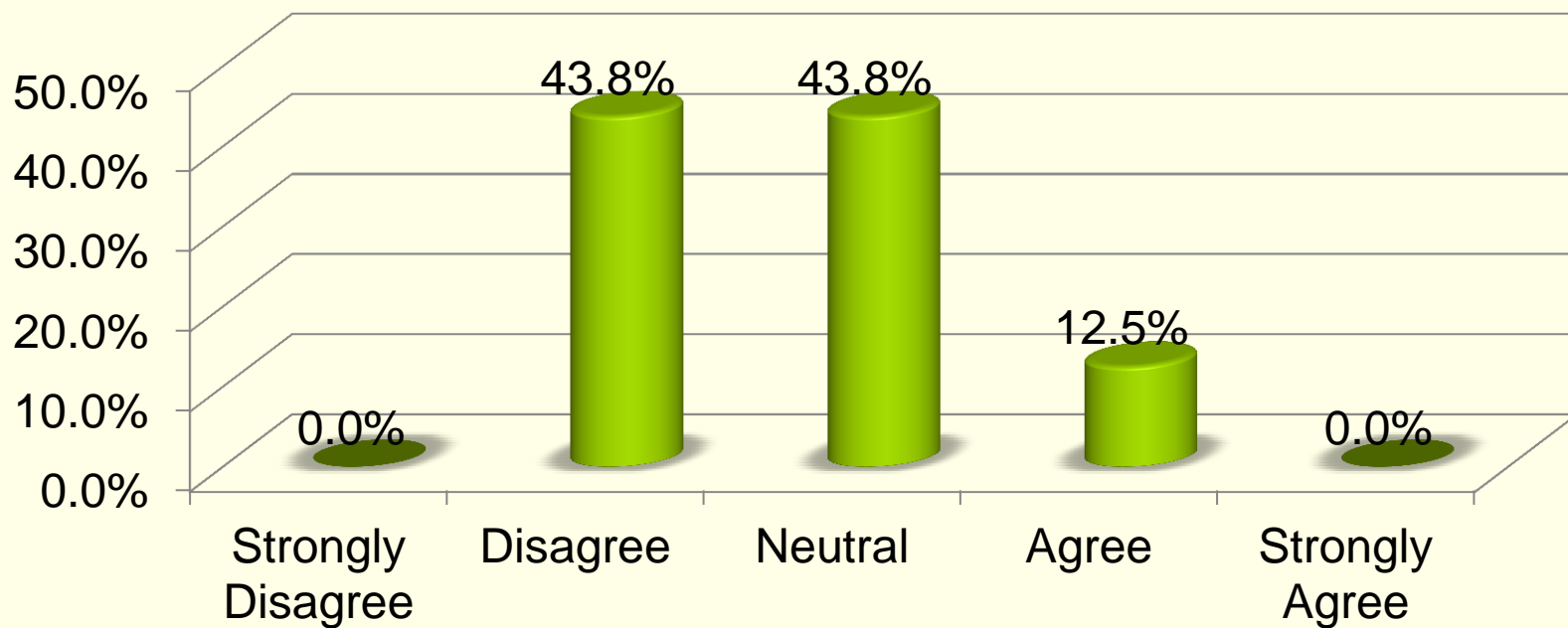
# 1.5. Board Evaluations



- The board undertakes routine evaluations of its own performance to identify ways to improve its functioning.
- The board may also consider individual evaluations to help develop individual members.



## 2.5. Board Training

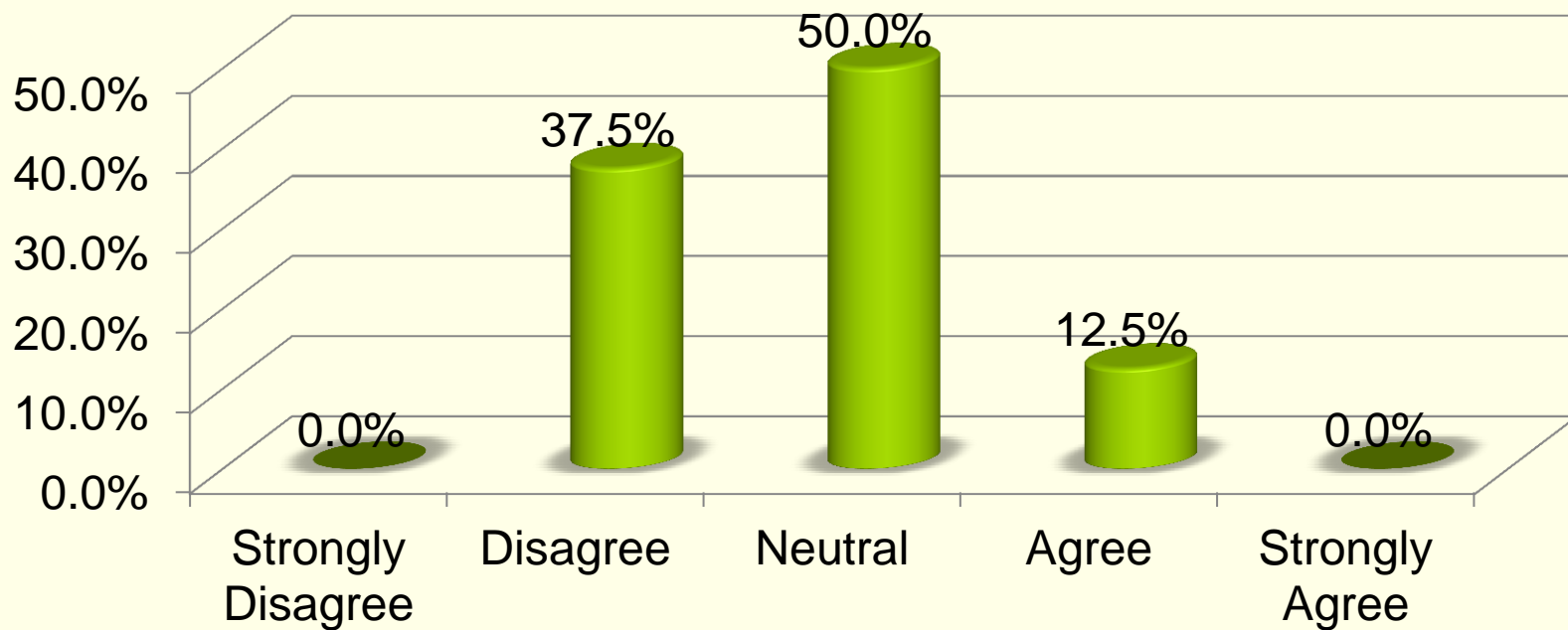


- The board establishes an annual training plan, based on the evaluation and feedback from members.
- The plan is aimed at further developing the overall board's capacity in particular areas (e.g., risk management, corporate governance).





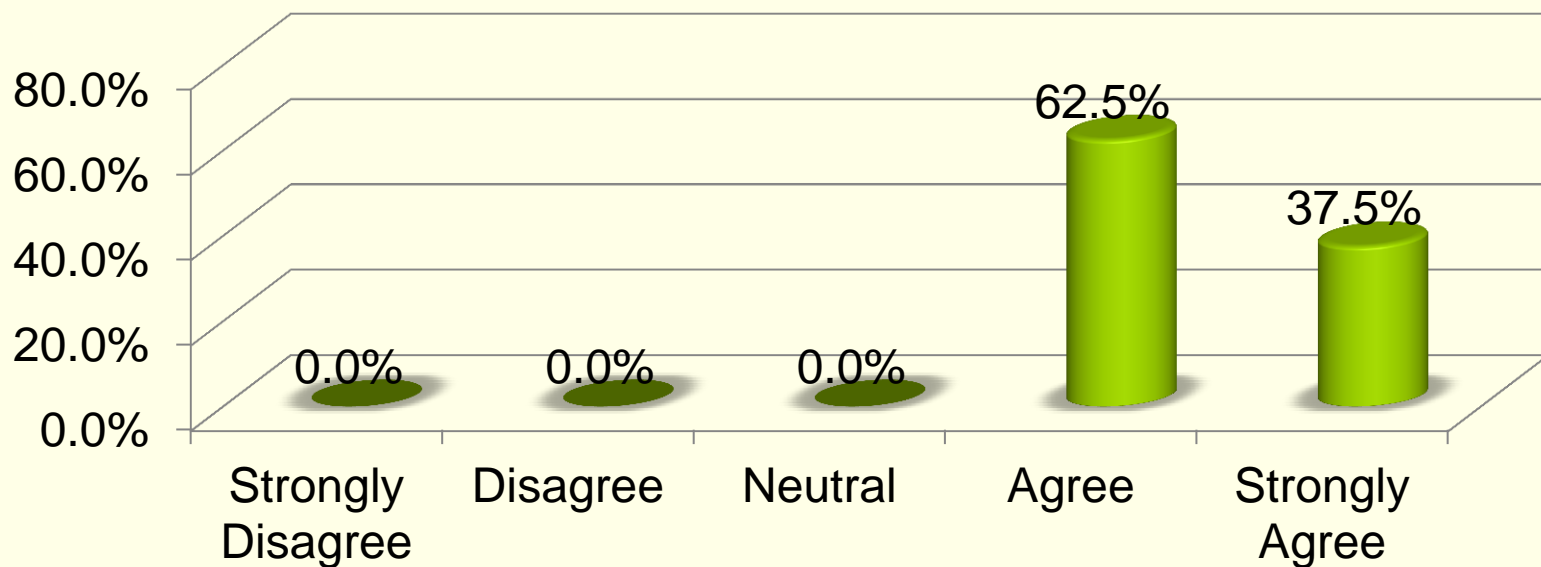
## 3.5. Induction



- The board has a formal induction process in place for new members, including formal training and orientation of company overview, board roles, and director duties.



## 1.6. Duty of Care

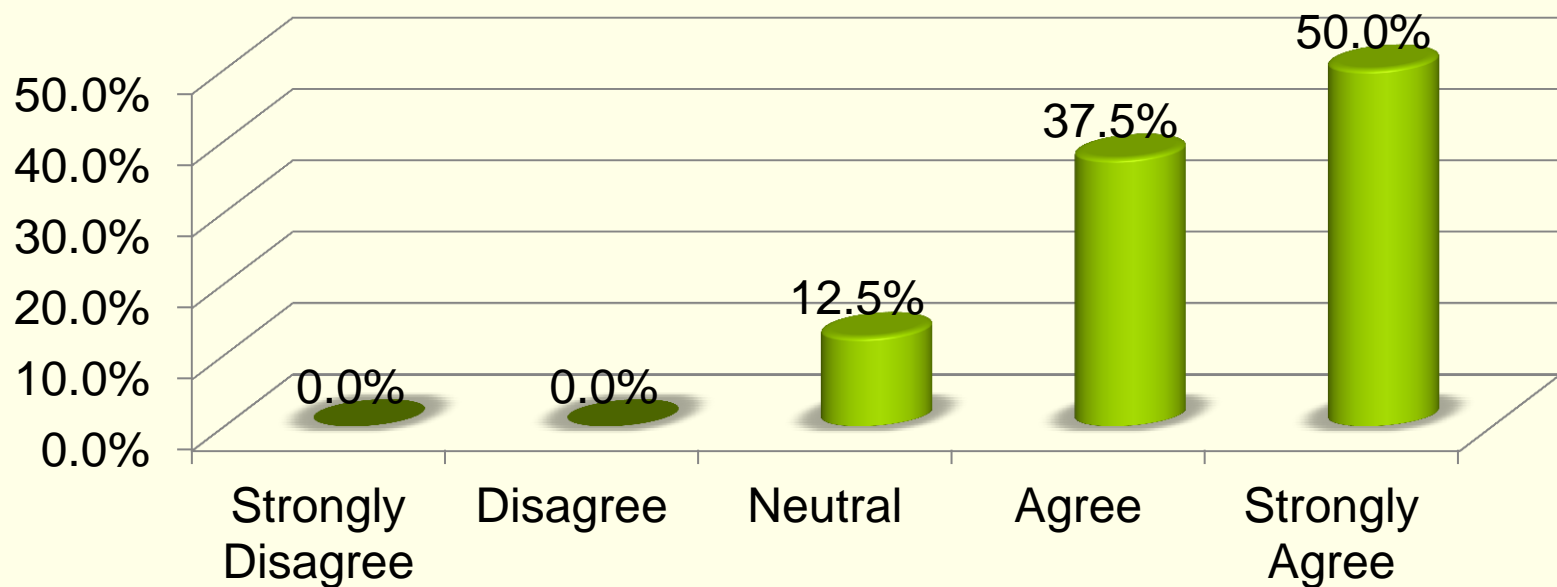


- The directors exercise full duty of care, including:
  - Acting honestly in the interests of the company;
  - Displaying maximum care and prudence that may be expected from a good manager in a similar situation and under similar circumstances;
  - Ensuring that the company acts in compliance with all applicable laws and regulations
  - Requesting sufficient information from management to enable him/her to make balanced decisions.



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## 2.6. Duty of Loyalty

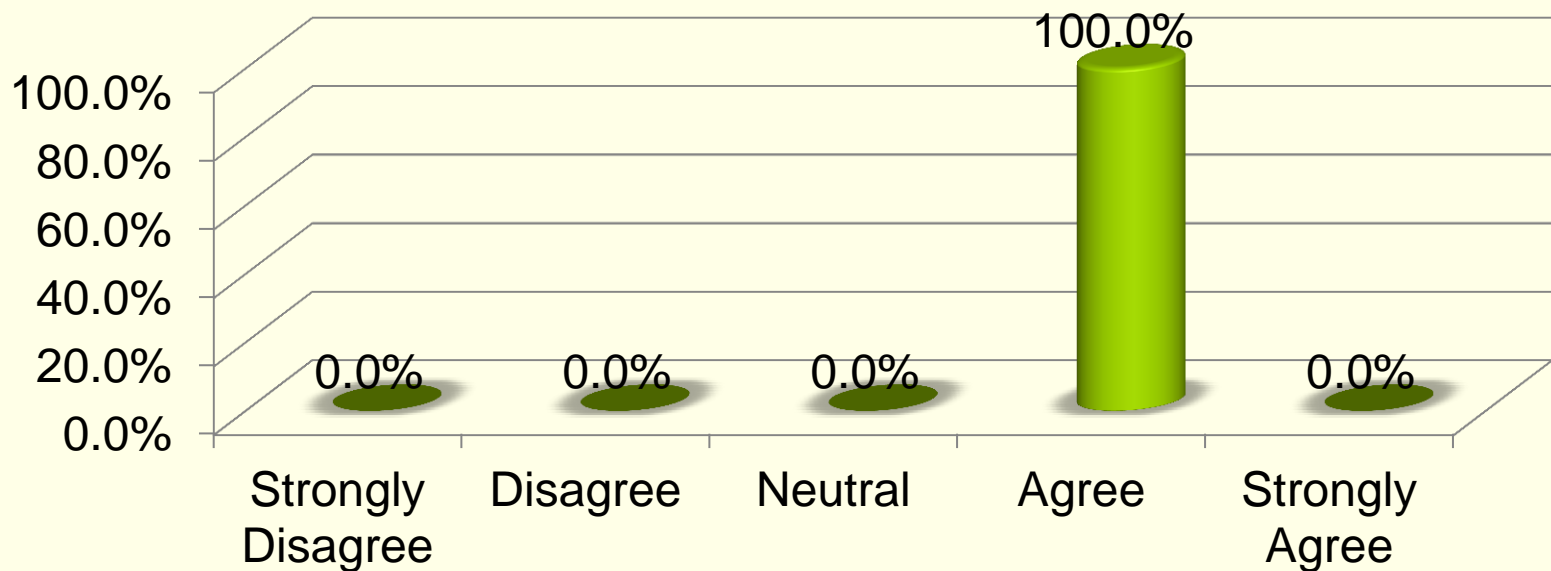


- The director exercise fully duty of loyalty by NOT:
  - Conducting transactions in which they have a personal interest
  - Disclosing confidential information
  - Entering into contractual relations with a competing company
  - Using assets and facilities of the company for personal benefit/gain



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## 3.6. Understanding of CG & Conduct Code

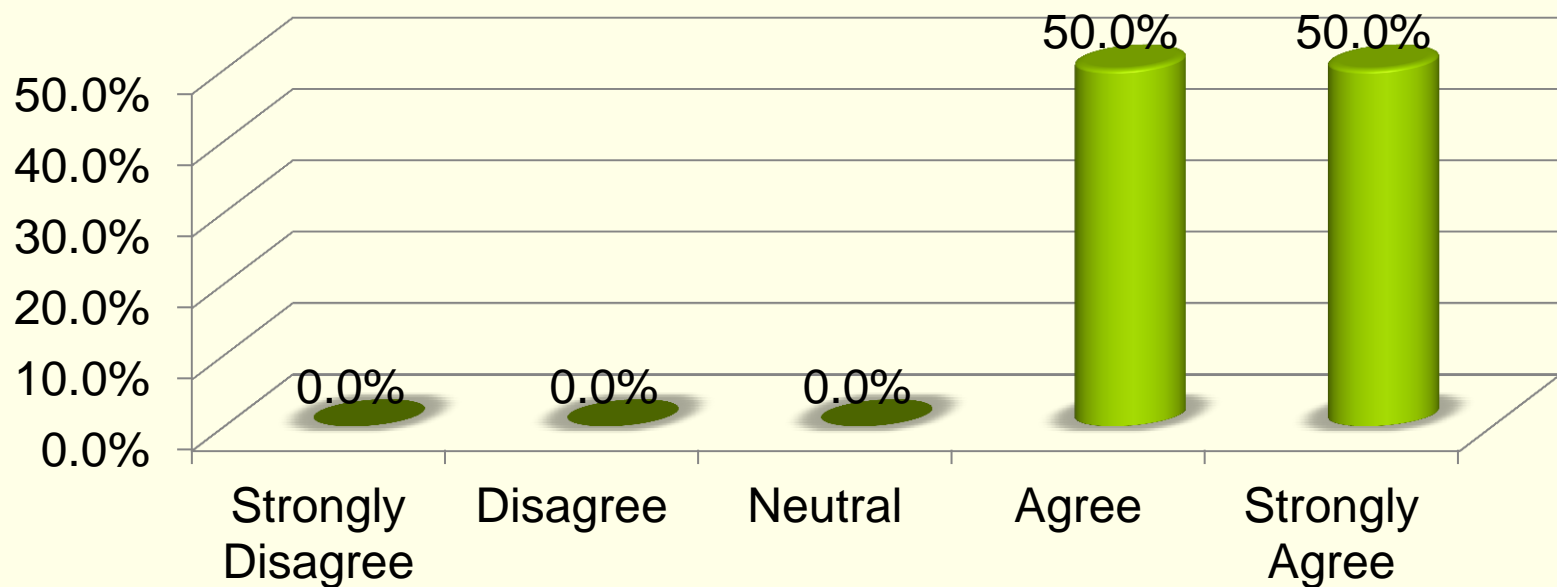


- Directors ensure they understand the company's agreed policies on corporate governance and ethics and report to the chairman if they feel they are not being observed.





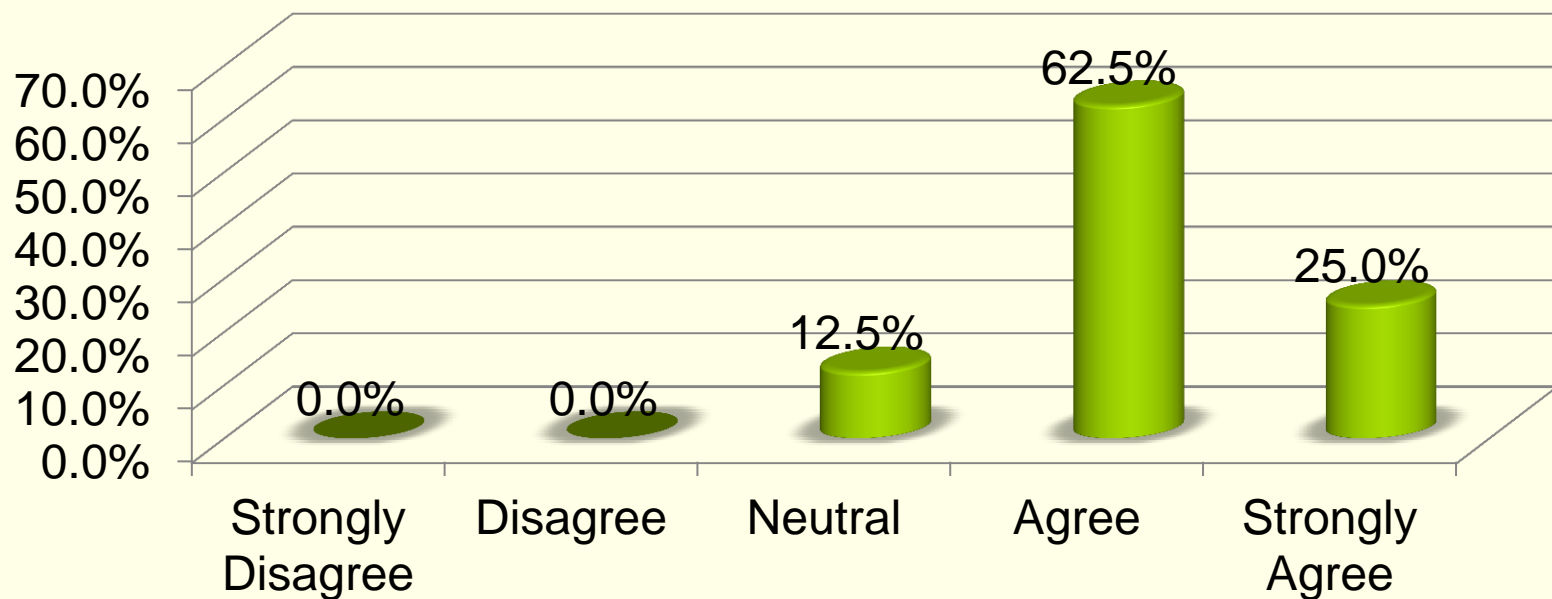
## 4.6. Attendance



- Directors regularly attend board and committee meetings as required.



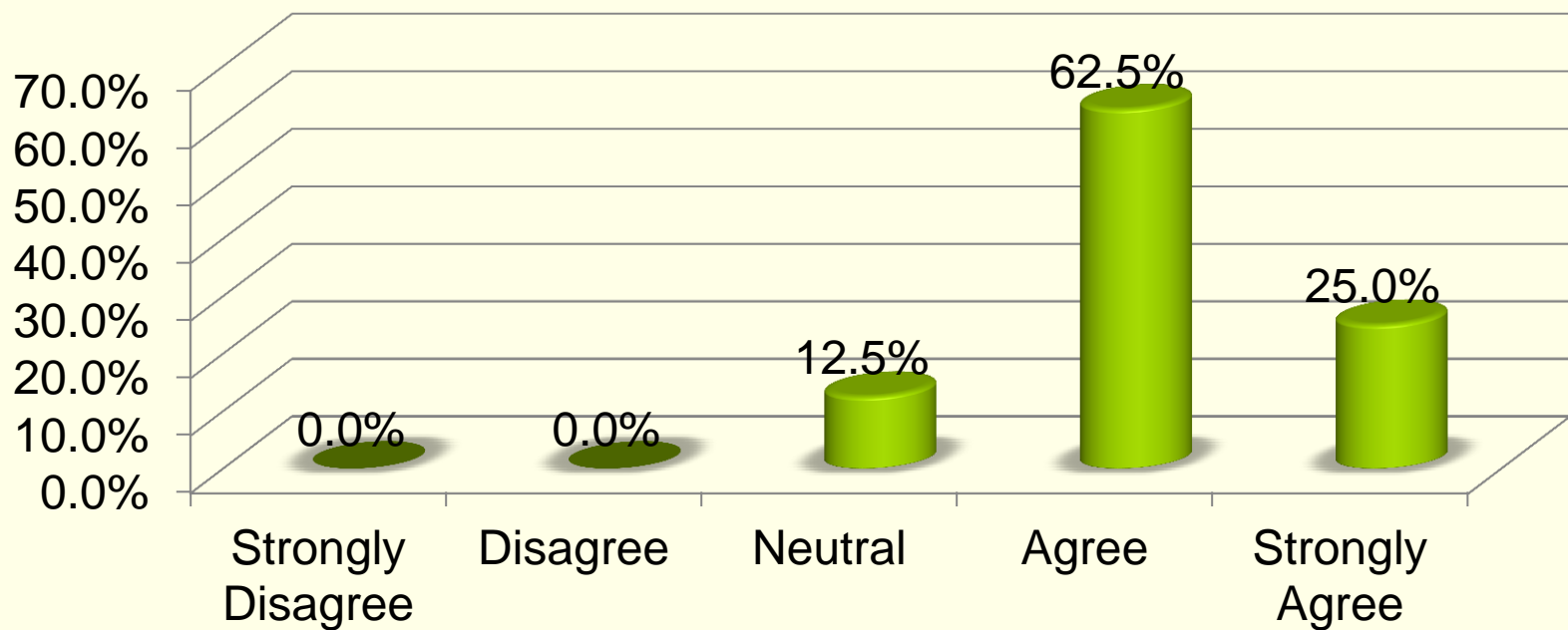
## 5.6. Preparation



- Directors adequately prepare themselves for each meeting prior to attending by reading advance material and preparing for discussions.



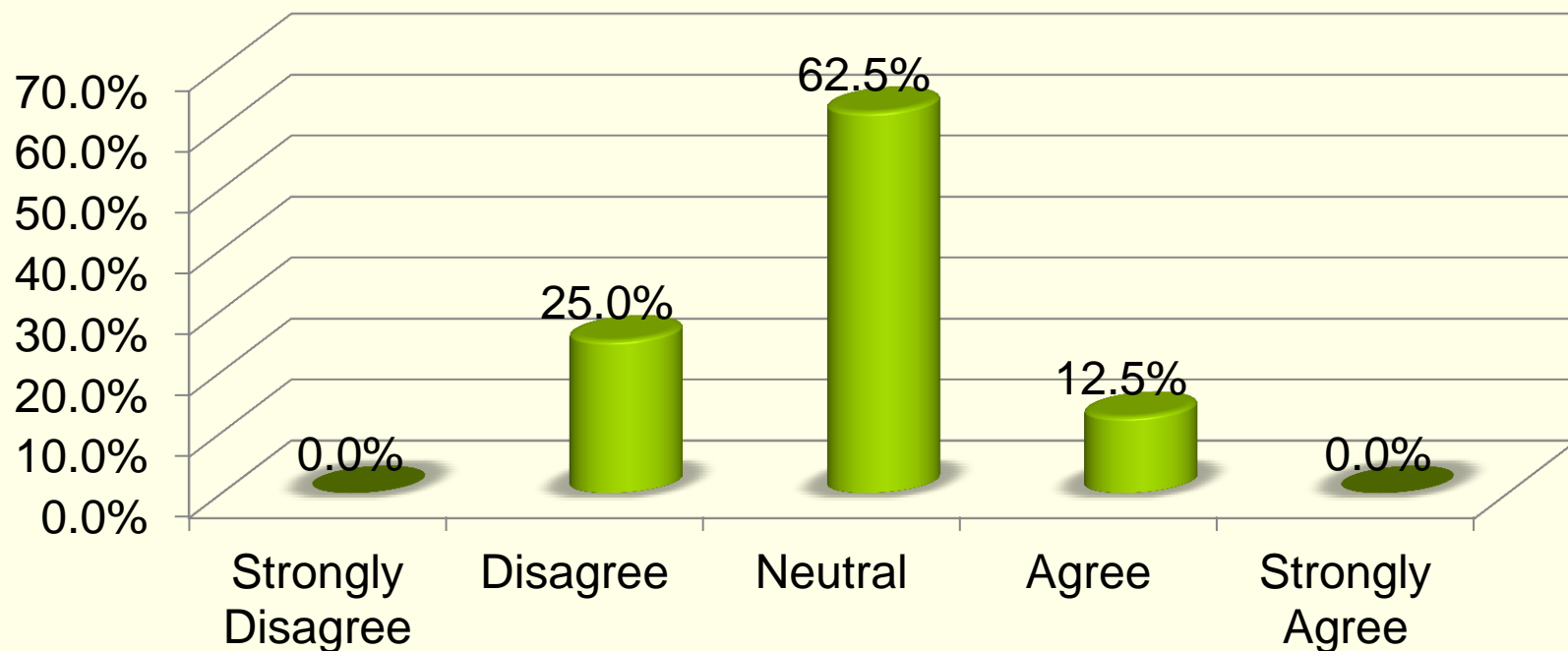
## 6.6. Participation



- Directors adequately participate in meetings, offering their objective views about issues as necessary, and act in the best interest of the company.



## **7.6. Personal Development**



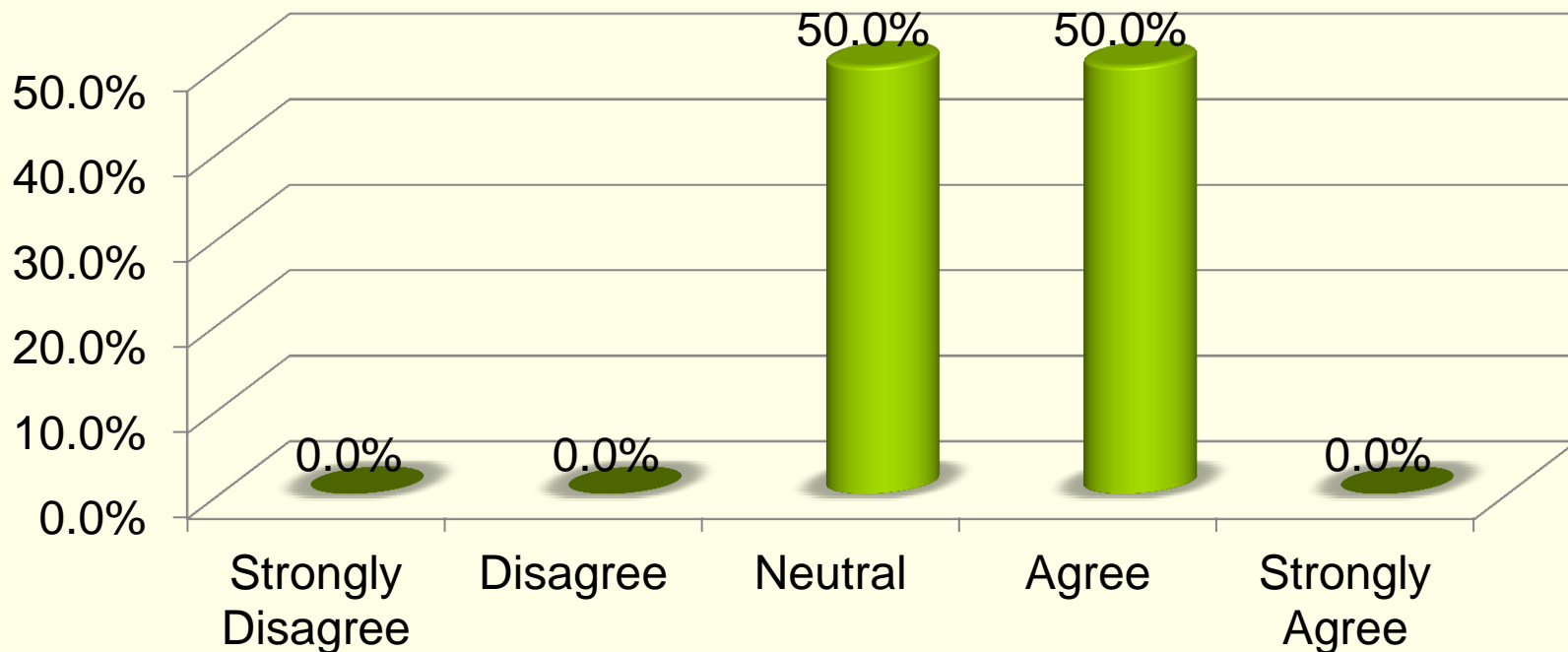
- Directors continuously assesses their own developmental needs as directors and takes appropriate action to develop areas of weakness (e.g., training).





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## 8.6. Staying Up to Date

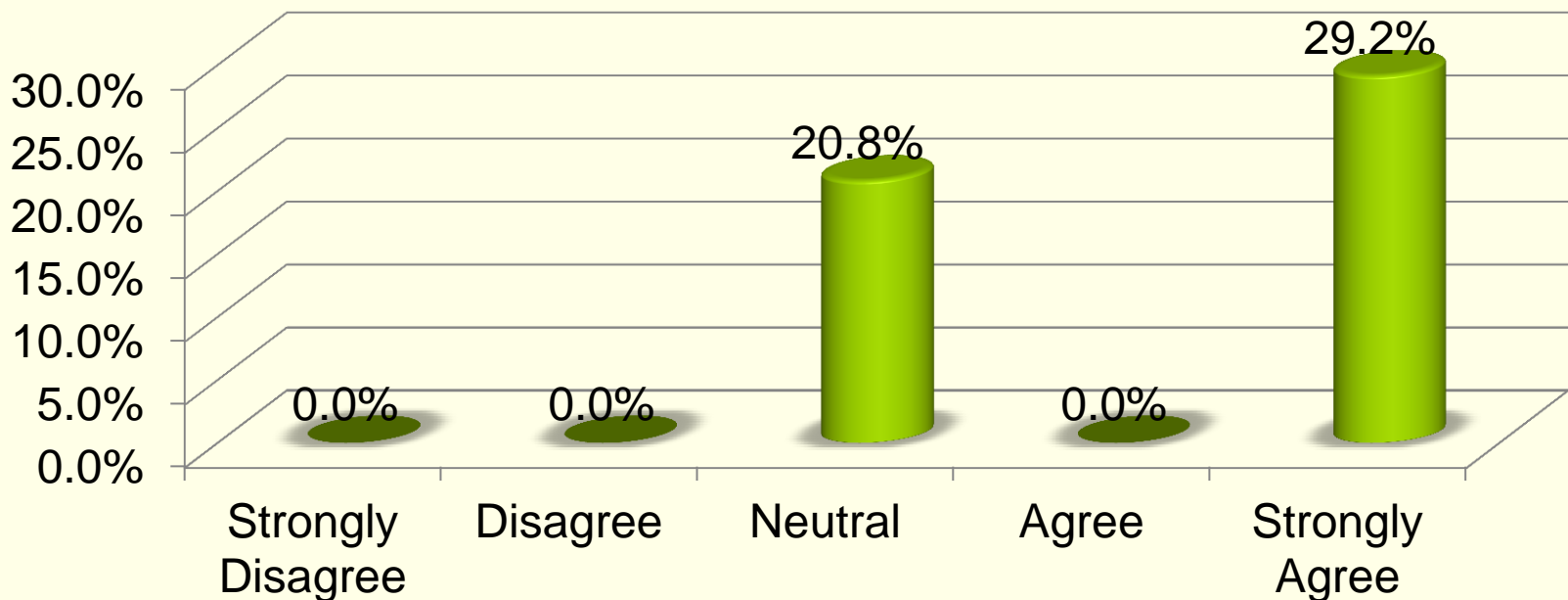


- Directors continuously stay up to date on matters affecting the company , market, competitors, and the industry; the director fully understands the company's strategy and significant events of the company.



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## 1.7. Shareholders Relations



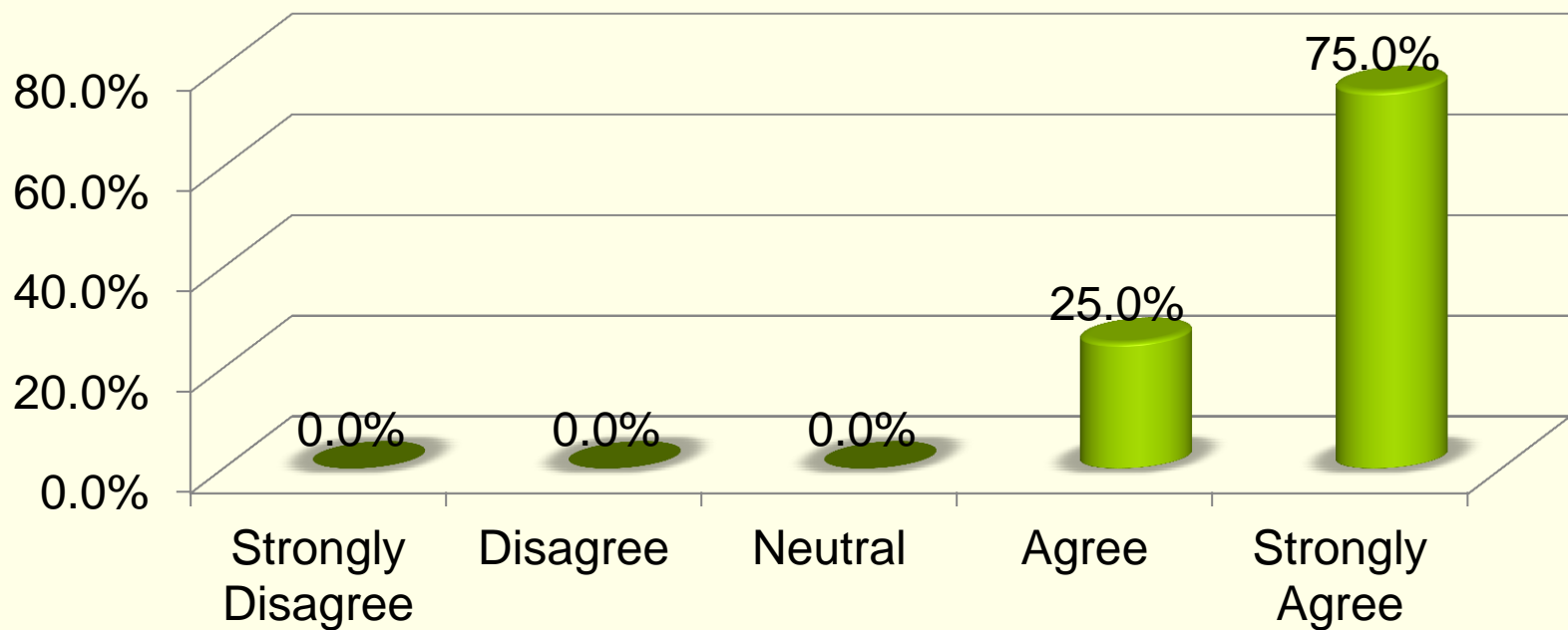
- The board knows who the shareholders of the company are and ensures shareholder relations are being managed appropriately, including proper information dissemination.
- The board considers particular minority shareholder protection mechanisms as needed.
- The board focuses on protecting the interests of company shareholders and gives proper consideration to shareholder value in its decision-making.

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# 2.7. Annual General Assembly Meeting

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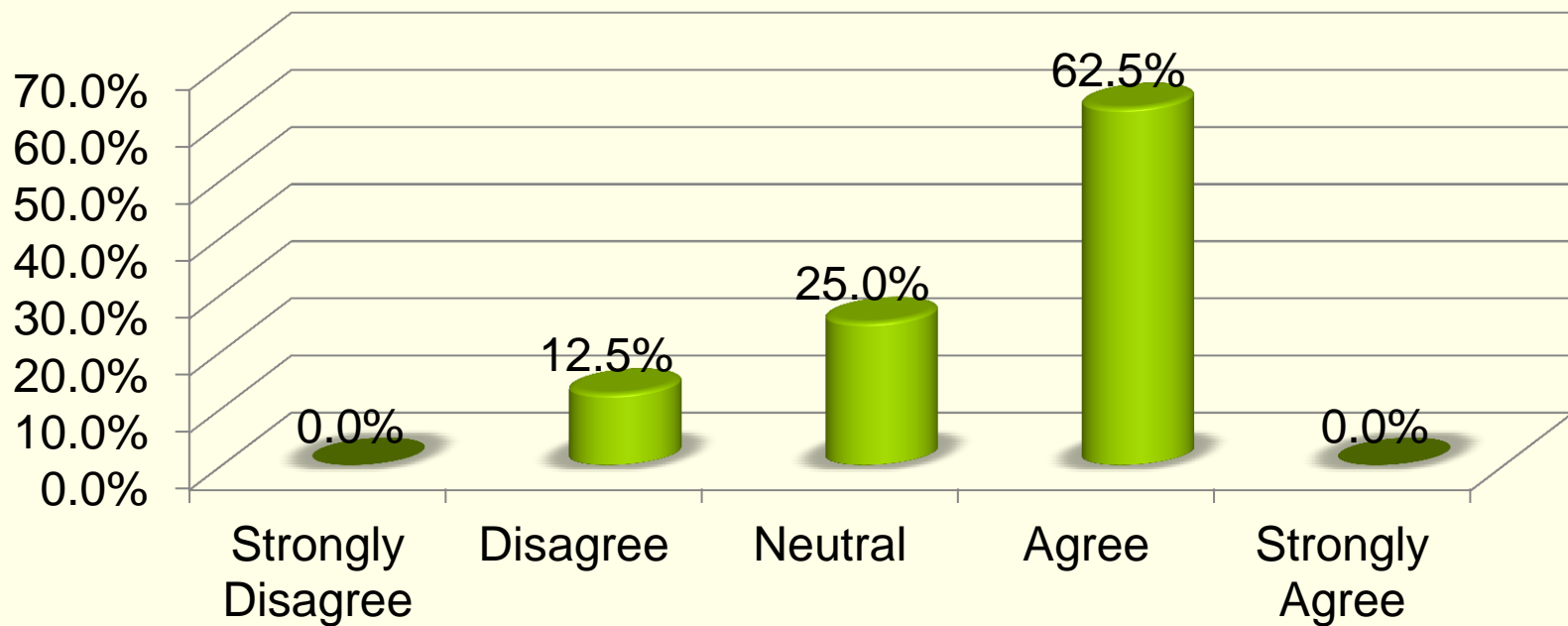


- The board ensures the AGM functions properly and formally and allows adequate participation of shareholders in key governance decisions.

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## 3.7. Stakeholders Relations

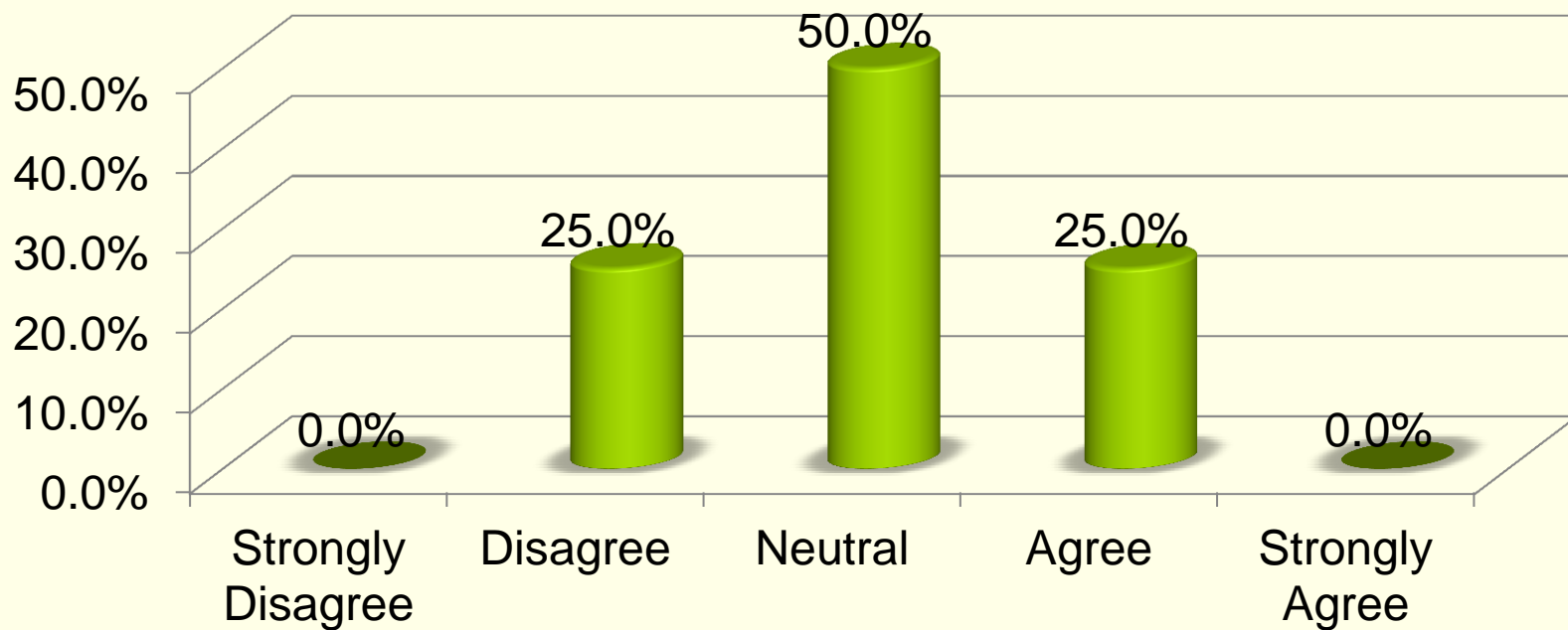


- The board has identified key stakeholders of the company and ensures that relationships are being managed with them as appropriate.





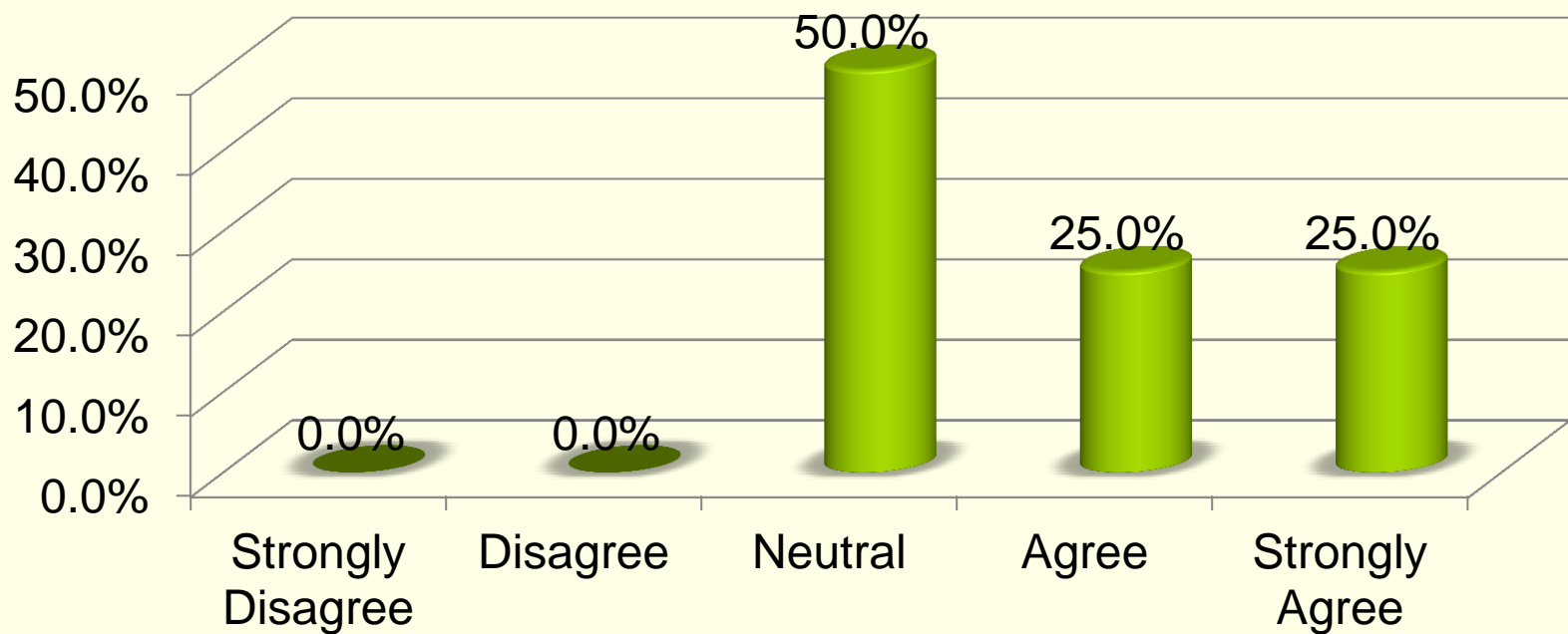
## 1.8. Risk Management



- Risk management framework/structure is working effectively with ample 'Risk Dialogue'.



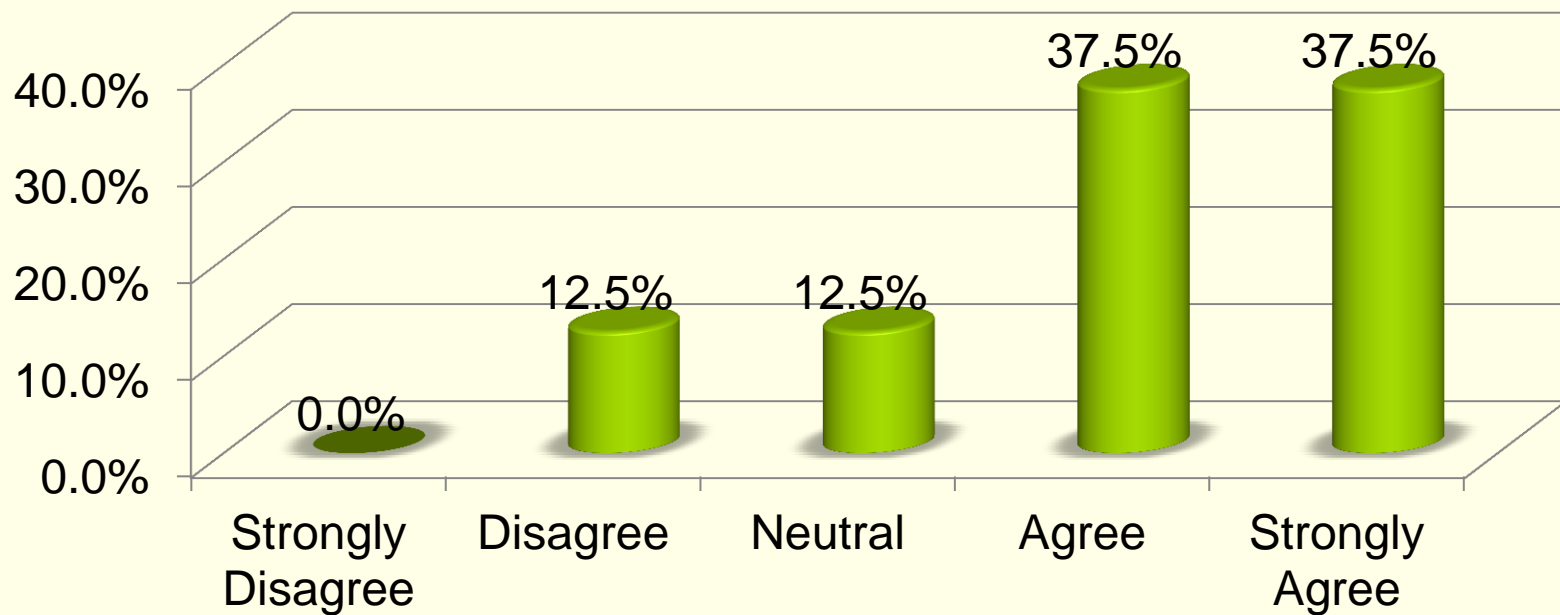
## 2.8. Internal Control



- Internal control framework is structured, formal, risk-based, and working effectively.



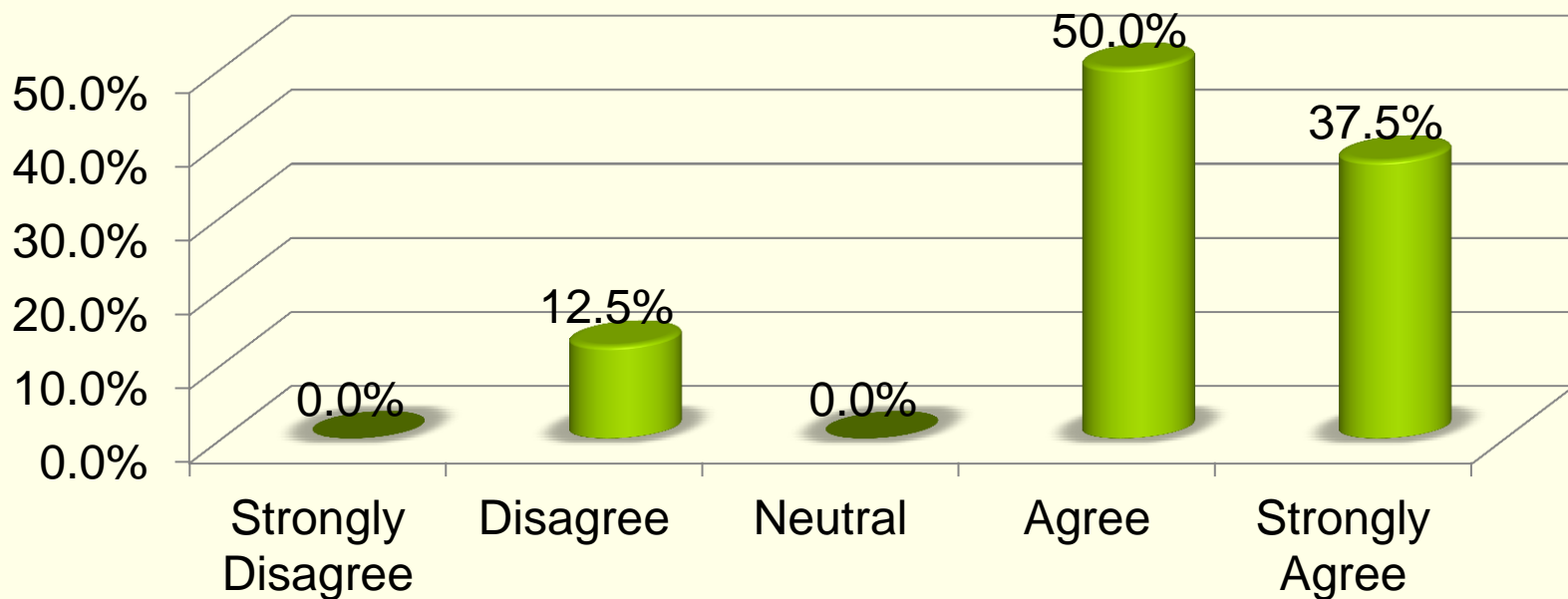
## 3.8. Compliance



- There is effective compliance (internal & external) oversight in the organization.



## 4.8. Internal Audit

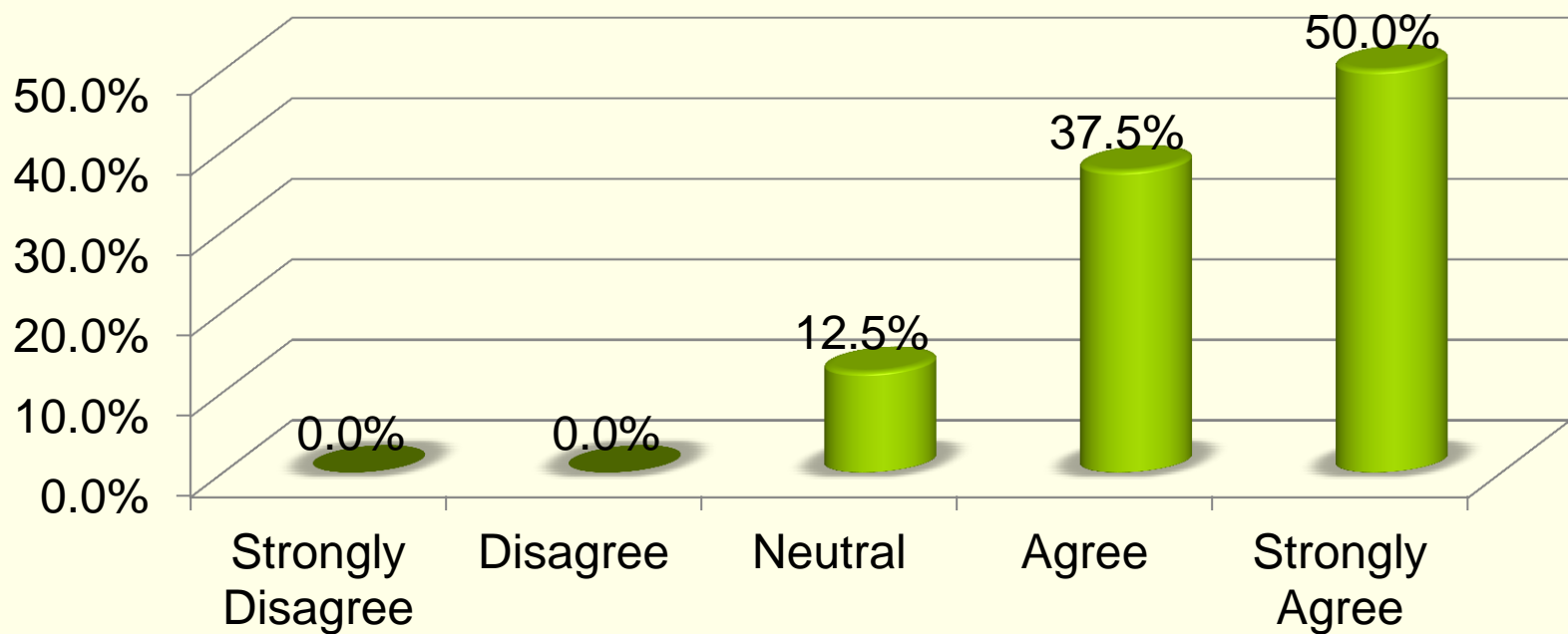


- Internal audit has broad mandate(not just financials), is qualified to do their job, and reports independently to the Board.





## 5.8. External Audit

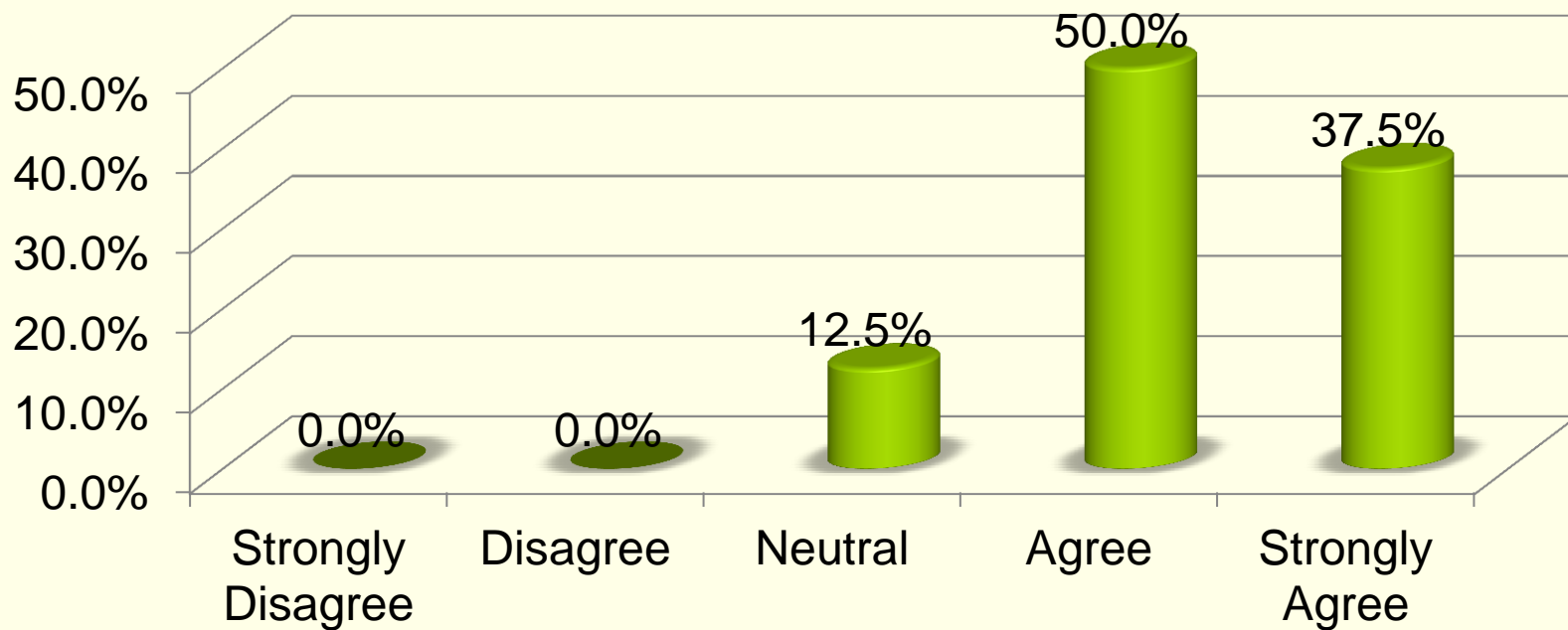


- Independent external auditor is independent, reputable, qualified, and conducts no other advisory services.



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## 6.8. Planning & Monitoring

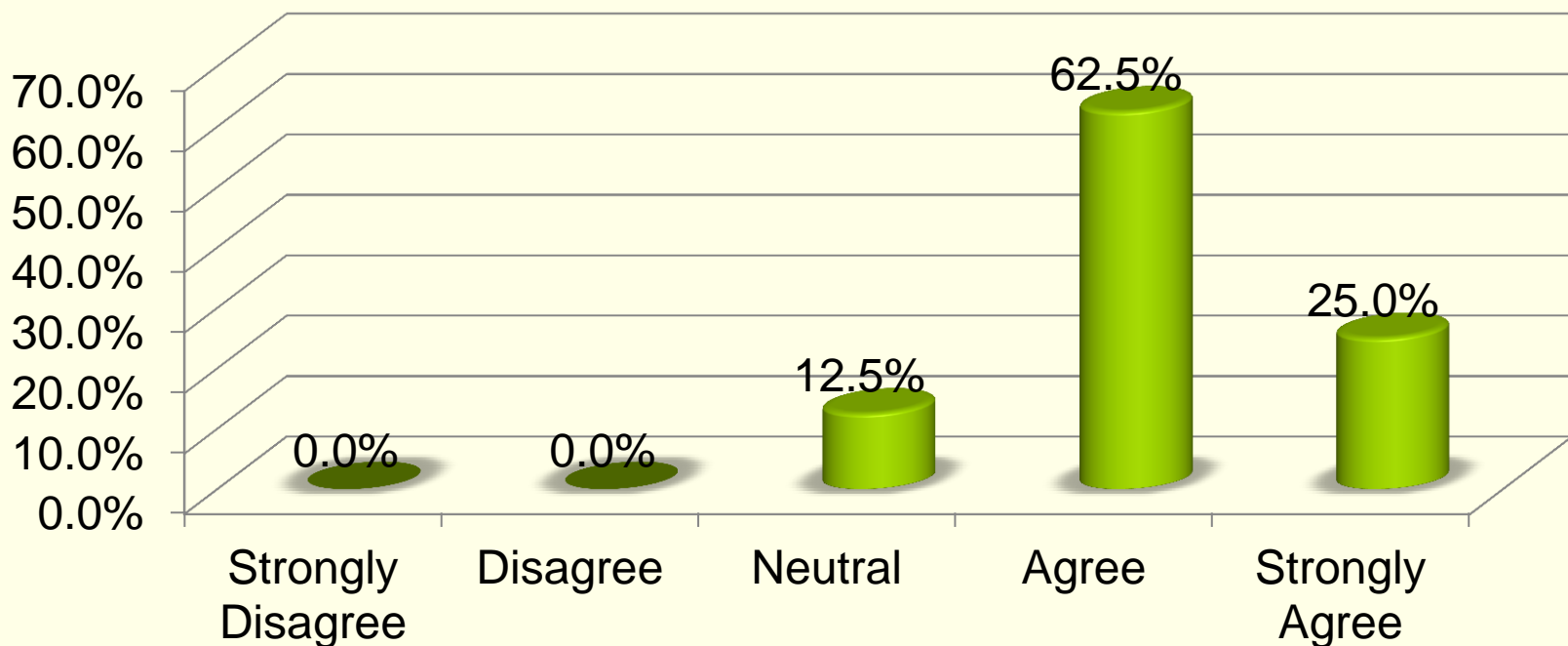


- Business planning and monitoring functions are structured, well-understood, and effective (e.g., strategic planning, budgeting, and performance monitoring)



## 7.8. Communication, Information Flow & Reporting

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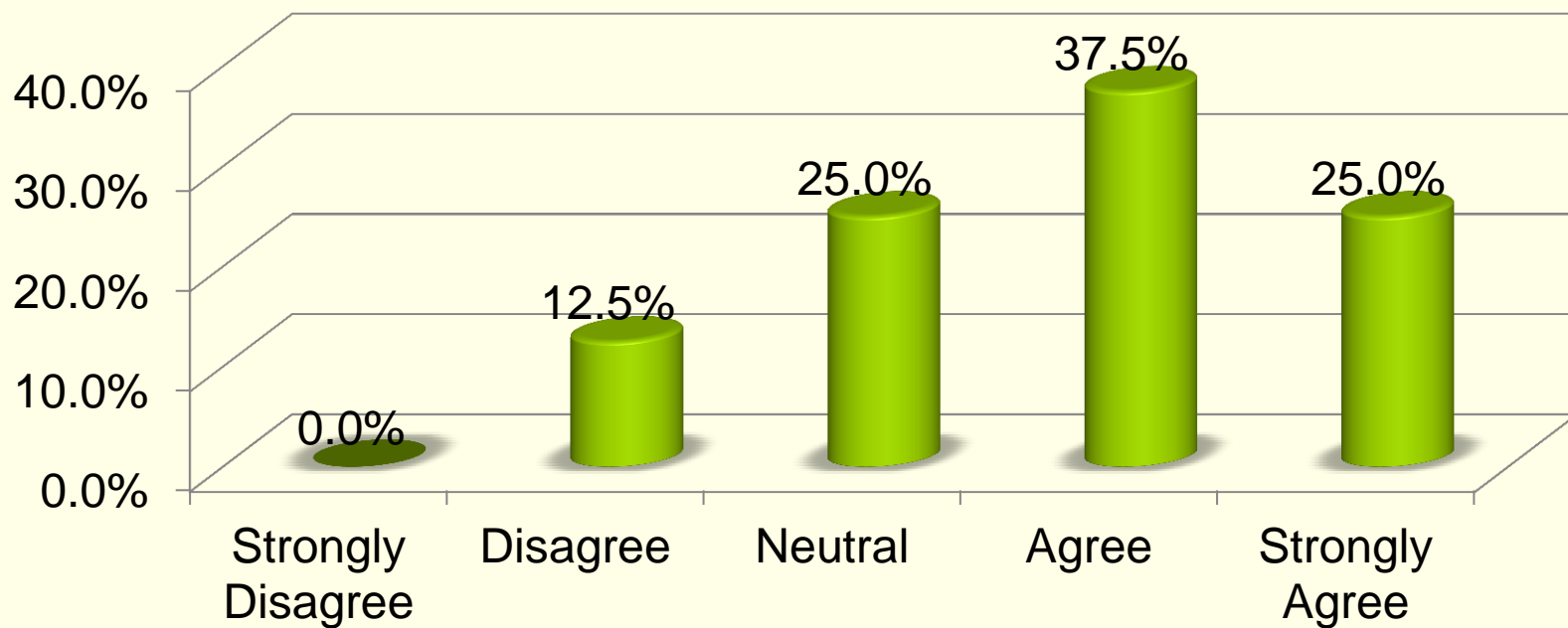


- Information and communication within the organization flows adequately to support transparency and timely control.
- Management reporting is effective, insightful, and timely.



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## 8.8. HR Infrastructure

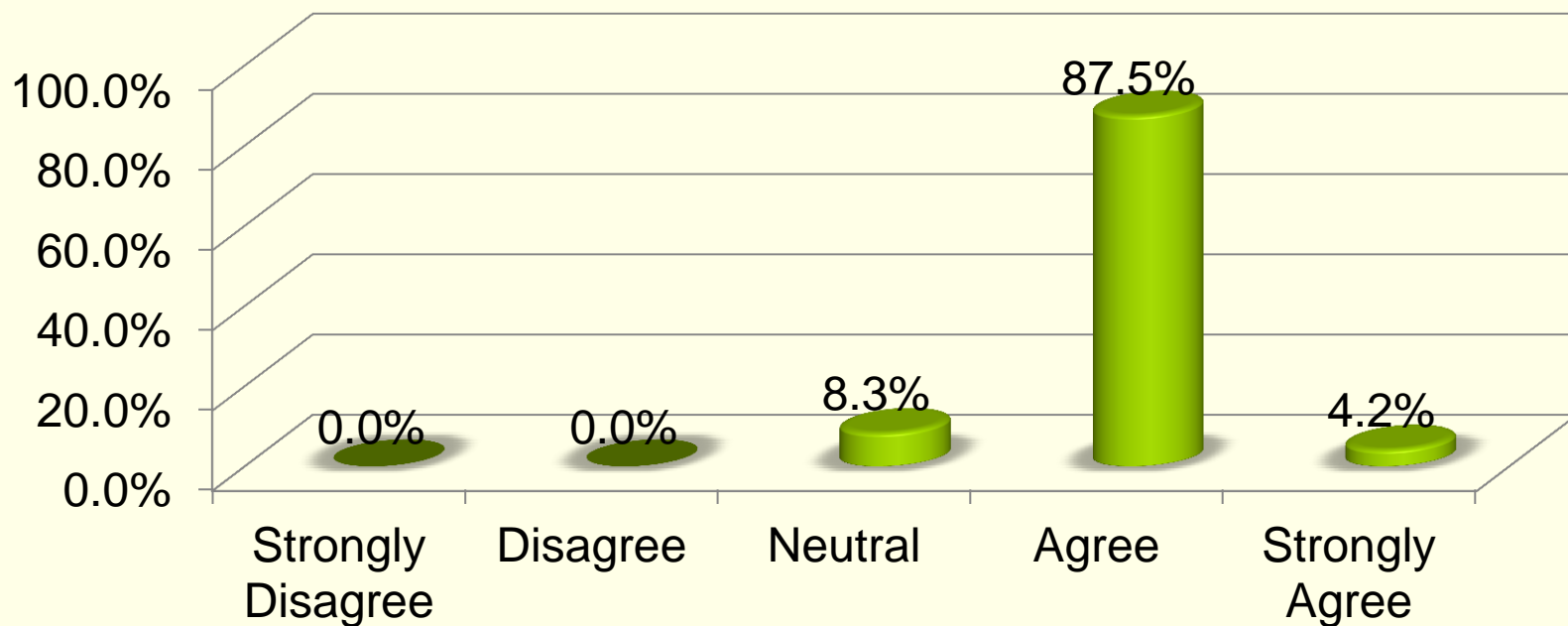


- There are effective HR processes, policies, and practices in the organization to properly attract, retain, and develop staff.





## 9.8. IT Infrastructure



- The IT infrastructure is sound with proper controls and security.
- The systems provide good functionality to support our business processes in an integrated, efficient manner.