

Financial Regulation – Invensys Egypt for Process systems

Invensys Egypt (S.A.E)

Financial Regulation is proposed by the directors of the board.

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Financial Manager

and

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SECTION 1

GENERAL PROVISIONS

Article (1)

This regulation establishes the financial procedures, rules, and fundamentals for the corporation.

Article (2)

The managers of the corporation are authorized, within their respective areas of expertise and influence, to approve exchange vouchers, settlements, and adjustments prepared by their affiliated departments, in accordance with the permissions of the financial regulation authorities.

Article (3)

The chairman of the board and the delegated member have the exclusive right to engage the services of local and foreign consultant firms, as well as individual experts in the technical, financial, and administrative fields when it is deemed beneficial to the corporation. The determination of their fees is within their purview.

Article (4)

The board of directors is solely responsible for the disposal and giveaway of assets and office supplies, subject to the controls and limitations set by the board. The board also has the authority to delegate this power to

the chairman of the board. Donations and aid are regulated according to the approved financial regulation established by the board of directors.

Article (5)

The chairman of the board or the delegated member has decision-making power in cases where this regulation does not explicitly address the matter.

Article (6)

The provisions of this regulation have been in effect since their date of approval by the board of directors. The chairman of the board will promptly issue the necessary decisions and orders to ensure their enforcement.

SECTION 2

The Planning Budget

Article (7)

The fiscal year commences on the 1st of January and concludes on the 31st of December each year.

Article (8)

Throughout the year, the corporation develops an annual planning budget based on anticipated revenues and potential utilization, in accordance with the in-house accounting guidelines adopted by the board of directors at the beginning of each fiscal year. This budget is subsequently divided into quarterly budgets to facilitate its implementation.

Article (9)

The estimated revenues and prospective utilizations are subject to adjustments during the fiscal year under specific circumstances, with the approval of the chairman of the board and the delegated member. Any modifications exceeding 10% but not more than 25% require notification, and those exceeding 25% necessitate additional approval from the board of directors.

Article (10)

The delegated member is granted the authority to enter into various types of contracts for projects undertaken by the corporation, without any specific maximum limits.

Article (11)

The authority to enter into contracts that commit to future fiscal years is permissible, provided that sufficient funding is available for these obligations.

Article (12)

After the fiscal year, the actual completed works and services with blocked funds can only be utilized for their intended purposes. Any unutilized funds at the end of the fiscal year are to be reallocated unless there are pending disputes or claims.

SECTION 3

ACCOUNTS

Article (13)

The corporation's accounting system is based on a combination of financial accounting and cost accounting systems.

Article (14)

The corporation's accounting system calculates project costs and income based on the actual completion ratio of the contract, taking into account the passing of 360 days on the progress of work without the release of invoices or the passing of 180 days on uncollected invoices. These calculations are reported as allotments in the financial and technical committees' quarterly reports, which are presented to the board of directors.

Article (15)

The financial accounting system finalizes account preparation, bookkeeping, and final financial statements under the corporation's working financial systems to determine its financial position and results at the end of the fiscal year.

Article (16)

The accounts and final financial statements are presented to the board of directors, accompanied by the financial controllers' remarks, before being approved by the corporation's general assembly.

Article (17)

The cost accounting system determines the costs of general purposes especially:

- Every operation or project cost.
- The administrative costs for the responsibility centers.

Article (18)

All accounting entries must be based on certified documents from the competent authority.

Article (19)

Unclaimed retention amounts in credit accounts for three consecutive years are added to the income, except for cases filed for lawsuits, insurance provided by others, and the in-house worker's amount due. Amounts blocked at governmental agencies are also excluded from this rule.

Article (20)

The board of directors has the authority to approve the write-off of bad debts owed to the corporation, based on a suggestion presented by the

financial manager, if they are deemed uncollectible. The board of directors must be informed of the debt collection procedures and the request for a write-off.

Article (21)

Statistical, accounting records, books, and application forms are prepared and legalized by a committee formed specifically for that purpose, under the management of the financial manager. The forms are approved by the chairman of the board and the delegated member before being printed and published.

Article (22)

Valued books, such as invoices, collection vouchers, expense vouchers, and warehouse payment vouchers, are designed by a committee formed by the chairman of the board and the delegated member, headed by the financial manager. The books are assigned a serial number with a system that guarantees their printing and spending for whoever uses them and are approved before implementation by the chairman of the board and the delegated member.

SECTION 4

CONTROL OF COLLECTABLES AND PAYMENTS

Article (23)

Any cash supplies are not accepted, except by acquiring the approval of the competent authority of such cash first and based primarily on issuing an approved cash supply voucher, from the financial department of the corporation.

Article (24)

Collected cash in the corporation's safe, as well as foreign currency collectibles, must be deposited in the nearest bank branch with which the corporation deals. No collectibles are permitted to remain in the safe, except for foreign currency collected from workers, which must be promptly deposited in the bank. Spending on collectibles is strictly prohibited.

Article (25)

The corporation's cash, whether local or foreign, is to be deposited in commercial banks with a strong financial position, approved by the board of directors. Spending is carried out through checks drawn from these banks, or through letters of credit or bank transfers. Cash withdrawals are only permitted under the designated authorities, with approved signatures and notification to the bank. The individuals authorized to sign for cash withdrawals are determined by the financial manager, with the approval of the chairman of the board and the delegated member, and must not be fewer than two persons.

Article (27)

Advance payments allocated to project works and service implementations are made in accordance with the terms of the contracts.

Article (28)

The chairman of the board and delegated members have the genuine right, or authorization through external delegation, to approve necessary fees required for the nature and circumstances of work in the corporation. These fees include expenses for proper attire, receptions, hospitality, exhibitions, scientific books and references, media publications, souvenirs, and memorial gifts, within the approved budget and in accordance with the financial regulations' authority approved by the board of directors.

SECTION 5

WORKERS' BENEFITS AND ENTITLEMENTS CASHING

Article (29)

Monthly wages are cashed to workers in the incorporation on the 25th of every month duo, except if the chairman of the board and delegated member decide before that date, in feasts and occasions, or if circumstances require different.

Article (30)

(Abroad) traveling and transportation fees are cashed with the approval of the delegated member or the who is delegated in charge, based on the actual fees put in consideration mentioned in the traveling and transportation regulations, approved by the board of directors of the corporation.

Article (32)

The chairman of the board and delegated members are authorized to endorse social, athletic, cultural, and healthcare initiatives within the approved limits of the corporation's budget.

Article (33)

Workers licensed to travel abroad on official missions, training, or earned leave may request to spend their monthly wage in advance, excluding cash allowances, if their date of arrival abroad exceeds the date of wage cashing. This request must be approved by the chairman of the board

and delegated member and is limited to a maximum of two months, regardless of the duration of their stay abroad.

Article 34

The chairman of the board and delegated member, or their authorized delegate, may approve an advance of money for special cases up to a maximum of one month of wage. These advance payments and worker debts are divided and distributed in installments over a period not exceeding two years, subject to suitable legal guarantees and in accordance with approved standards and regulations governed by the chairman of the board.

Article 35

Medical care costs for workers in the corporation are covered under the approved medical care system.

SECTION 6

ASSETS AND OFFICE ESSENTIALS COUNTING

Article (36)

Assets and invalid items are scrapped from usage with the knowledge of committees that represent the engineering, administrative, and financial departments in the corporation.

Article (37)

The corporation property from fixed and moving is to be counted (in the company premises or elsewhere) via a committee formed by a decision released by the chairman of the board covering the following:

A – By the end of each fiscal year covering the moving assets from items, essentials, accessories, etc.,

B – At the end of every two fiscal years, regarding the fixed assets. Asset counting at any time is accepted for whatever purpose the supreme management sees.

Article (38)

The counting committees are responsible for submitting a copy of the counting reports to the competent administration and the internal division.

SECTION 7

INSURANCE

Article (39)

The corporation provides insurance coverage for bookkeepers who handle custody exceeding 2,000 Egyptian pounds against anti-trust and other risks. The coverage amount is based on the range of their custody, rounded to the nearest 1,000 Egyptian pounds. The financial and administrative department oversees the insurance procedures, and the company bears the cost.

Article (40)

The chairman of the board and delegated member have the authority to ensure workers at the corporation or foreign experts working with it against work dangers or while undertaking work assignments that require such insurance, or the party with a contract with the corporation.

Article (41)

The corporation ensures its property against any known danger, as determined by the chairman of the board or the delegated member.

Article (42)

In the event of a robbery or loss of corporation funds, the responsible manager is tasked with initiating legal procedures against the perpetrators and promptly informing the chairman of the board.

Article (43)

In the event of any loss or malfunction of classes and categories, such as theft, fire, or building collapse, which is proven to be beyond the worker's control, the portion of the cost not covered by the insurance company is the responsibility of the chairman. This should be included in the specialized manager's report, as well as in the legal affairs and human resources.

Article (44)

The delegated member, or their authorized delegate, has the authority to decide on incidents and vehicle fines owned by the company related to the civil responsibility of others and claims for reimbursements.

SECTION 8

PROCUREMENT, SELLING AND LEASE

Article (45)

The approval authority for procurement, sales, and lease of works, sales, and lease is as follows:

Firstly: Procurement and work undertaking

1. Office supplies, tools, and works needed for customers' projects:

- The chairman of the board and the delegated member or their authorized representative, upon the instructions of the competent manager and the approved budget for the project, undertaken according to the bases and procedures mentioned in the works and procurement regulation and financial regulation authority approved by the board of directors of the corporation.

- The office supplies, essentials, tools, and required work for the corporation are undertaken according to the approved procurement and works regulations of the corporation

- The procurement and work assignment, including appropriations in the budget, are under the rules and procedures mentioned in the procurement and applied works in the corporation.

Secondly: Sales and lease:

The selling and lease authority is according to the financial authority regulation approved by the board of directors.

SECTION 9

INTERNAL AUDIT

Article (45)

The approval authority for procurement, sales, and lease of works, sales, and lease is as follows:

Firstly: Procurement and work undertaking

1. Office supplies, essentials, tools, and works needed for customers' projects:

- The chairman of the board and the delegated member or their authorized representative, upon the instructions of the competent manager and the approved budget for the project, undertaken according to the bases and procedures mentioned in the works and procurement regulation and financial regulation authority approved by the board of directors of the corporation.

- The essentials, tools, and required work for the corporation are undertaken according to the approved procurement and works regulations of the corporation

- The procurement and work assignment, including appropriations in the budget, are under the rules and procedures mentioned in the procurement and applied works in the corporation.

Secondly: Sales and lease:

The selling and lease authority is according to the financial authority regulation approved by the board of directors.

Article (46)

The internal audit administration within the corporation formulates an annual internal audit plan for various departments and executes it following approval from the chairman of the board and delegated members. This planning process is crucial for identifying and addressing risks, aligning audit priorities with organizational objectives, and ensuring effective and efficient internal audits. The plan is developed based on a systematic approach, which includes understanding the organization, identifying and prioritizing risks, coordinating with other stakeholders, estimating resources, and continuously assessing and updating the plan to maintain alignment with the organization's objectives and address emerging risks.

Article (47)

The internal audit reviews every department in the corporation according to the audit plan or the work mandated to be done and submits periodic reports with the results of these audits to the chairman of the board or the delegated member.

Article (48)

The internal audit has the right to directly communicate with those in charge of the relevant administrations and various departments in the corporation and provide their opinions and recommendations on the internal control systems, risk management, and governance processes,

and all employees of the corporation must cooperate with him to facilitate and enable him to accomplish his tasks smoothly and clearly.

SECTION 10

REGULATIONS MODIFICATION

Article (50)

The corporation possesses the authority to amend the stipulations to adhere to the legal requirements and ensure the efficiency and seamlessness of the workflow, subject to the approval of the proposed modifications by the board of directors.