

# ELSEWEDY --- ELECTRIC



## Insider Trading Policy

### Document Approval

NAME	TITLE	SIGNATURE
Ahmed El-Sewedy	CEO	
Ahmed Shokry	Group Chief Internal Auditor	
Karim Hasan	Group Head of Compliance	

### Document Distribution List

VER	NAME	DEPARTMENT	PURPOSE

### Document Version Control

VER	DATE	PREPARED BY	DESCRIPTION OF CHANGE
#1.1	07/03/2024	Menna Magdy	Minor changes (Titles and contact details)

## **Table of Contents:**

1. Introduction	5
1.1. Introduction to the Policy	5
1.2. Responsibility of the Compliance Department	5
1.3. Responsibility of the Investor Relations Department	6
1.4. Responsibility of the Legal Department	7
1.5. Responsibility of the Human Resources Department	7
1.6. Scope	8
1.7. Purpose	8
1.8. Distribution	8
2. Definitions	9
3. Accountability of Employees	10
3.2. Insiders	10
3.3. Restricted Insiders	11
4. Material Nonpublic Information	11
5. Preventing Insider Trading & Tipping	13
5.1. Pre-Clearance of Trades	13

5.2. Blackout Period	13
6. Prohibited Activities	13
6.1. Insider Trading	13
6.2. Tipping	14
6.3. Additional Prohibited Activities	14
6.4. Reporting of Insider Trading Activities	15
7. Sanctions and Penalties	15
7.1. Organizational Penalties	15
7.2. Legal Sanctions	15

## **1. Introduction**

### **1.1. Introduction to the Policy**

1.1.1. The purpose of Elsewedy Electric's insider trading policy (hereafter: the "Policy") is to outline all appropriate insider trading policies for Elsewedy, clarify the roles and responsibilities associated with personnel responsible for ensuring compliance, serve as a point of reference for all Elsewedy Electric staff to ensure consistency in application, and assist management in addressing insider trading related issues.

1.1.2. The main objectives of this policy include, but are not limited to the following:

- To establish measures to prevent any unauthorized trading, tipping, or misuse of information that might have an impact on the company's share price,
- To ensure compliance with the listing rules of the Egyptian Exchange authority and avoid the legal and financial implications associated with violations of the listing laws and regulations, and

- To avoid improper conduct on the part of anyone employed by or associated with Elsewedy Electric.

1.1.3. Definitions in this policy are used only in instances where they provide the necessary background, within the context of the Policy.

1.1.4. This insider trading policy is intended for Elsewedy Electric Holding Company that is listed in Egypt and follows the listing rules and regulations of the Egyptian Exchange, the Egyptian Financial Supervisory Authority, and the Egyptian Capital Market Law No.95 of year 1992.

### **1.2. Responsibility of the Compliance Department**

1.2.1. Elsewedy Electric's Compliance Department is responsible for taking the appropriate measures to facilitate the reporting of any misconduct so that situations or behaviors that violate company's policies or applicable regulations can be identified and remedied.

1.2.2. The Compliance Department encourages all stakeholders to report suspected misconduct or violations of the law and provide guidance on how to raise concerns.

- 1.2.3. The Compliance Department is responsible for managing reporting channels and will ensure that all reporting channels are made available to all internal and external stakeholders through sharing the required information and links through companywide emails, announcements, and posting on the company website.
- 1.2.4. The Compliance Department is the custodian of this policy and is expected to ensure that this policy document is a true and accurate representation of the applicable policies and that it is kept up to date at all times.
- 1.2.5. This policy will be reviewed on an annual basis by the Compliance Department to ensure that it is consistent with the objectives of the Elsewedy Electric Group, or if there has been a change in the applicable laws and regulations that will require the policy to be updated.
- 1.2.6. The Compliance Department will communicate this policy and develop the necessary training for all employees in coordination with the Investors Relations and Human Resources Departments.
- 1.2.7. The Compliance Department will keep a record of all received claims, all investigations, and all evidence to

support claims. Records will only be accessible by employees in the Compliance Department to allow for the maintenance of confidentiality.

### **1.3. Responsibility of the Investor Relations Department**

- 1.3.1. The Investor Relations Department in coordination with the Compliance Department will be responsible for enforcing compliance with this policy and all applicable local laws and regulations related to listed entities. Incidents of noncompliance are required to be reported to the compliance department.
- 1.3.2. The Investor Relations Department must be made aware of any suspicions or activity related to insider trading and tipping by any employee with knowledge of such activities.
- 1.3.3. The Investor Relations Department will be in charge of all communications with the Egyptian Exchange and will ensure Elsewedy Electric is in compliance with The Egyptian Exchange regulations.
- 1.3.4. On an annual basis or when updates to the list have been made, the Investor Relations Department will receive from

the Human Resources Department the list of all restricted employees and provide the list to the Egyptian Exchange.

#### **1.4. Responsibility of the Legal Department**

1.4.1. The Legal Director will ensure that local/global contracts with an amount equal to or above EGP 200M, prior to signing, are communicated to the Investor Relations Department to allow them time to disclose any relevant information to the Egyptian Exchange.

1.4.2. The Legal Department will ensure that all employee contracts across the Elsewedy Electric Holding Company and all of its subsidiaries include the following clauses:

- A clause prohibiting employees from sharing material nonpublic information.
- A clause prohibiting them from trading in shares without pre-clearance approval from the Investors Relations Department.
- A clause stating that this policy will apply to employees for a duration of 6 months after their status with the organization has been terminated.

1.4.3. The Legal Department will ensure that all third party contracts include a clause prohibiting them from sharing material nonpublic information. The contract must also include a clause that prohibits them from trading in Elsewedy Electric shares throughout the contract period without pre-approval from the Investor Relations Department.

#### **1.5. Responsibility of the Human Resources Department**

1.5.1. The Human Resources Department will provide the Investor Relations Department with the full list of restricted employees. The Human Resources Department will be responsible for updating the list to reflect any changes in functions, positions, or status of employees within the Elsewedy Electric.

1.5.2. Upon termination of an employees' status within the company, employees will be required to sign a clearance form that states that they are aware that they will be prohibited from trading Elsewedy Electric shares for 6 months after their exit. The Human Resources Department

will ensure that all employees sign the clearance form during commencement of exit procedures.

1.5.3. Employees who are non-compliant to this policy will be subject to disciplinary action. The Human Resources Department in coordination with the Legal Department will execute and implement disciplinary action in accordance with the Human Resources policies and local labor laws.

## **1.6. Scope**

1.6.1. This policy will be implemented across all Elsewedy Electric entities and subsidiaries and is applicable to all Elsewedy Electric employees (including permanent and temporary employees, interns, volunteers..etc.), as well as all external stakeholders (including: third party service providers, sponsors, agents, and suppliers) who come in contact with the company.

1.6.2. The policy covers the following sections:

- Accountability of employees,
- Material nonpublic information,
- Preventing insider trading and tipping,
- Prohibited activities, and

- Sanctions and penalties.

## **1.7. Purpose**

1.7.1. Investing in Elsewedy Electric provides an opportunity to share in the future growth of the company. It is important that all employees understand and comply with the policy.

1.7.2. Elsewedy Electric is committed to taking an active role in the prevention of insider trading violations and establishing protection measures to avoid even the appearance of misuse of any material nonpublic information.

## **1.8. Distribution**

1.8.1. This policy will be made available to all Elsewedy Electric stakeholders in a non-editable version on the Elsewedy Electric website. All stakeholders who are involved in business activities are required to have a thorough understanding of this policy.



## 2. Definitions

<b>TERM</b>	<b>DEFINITION</b>
<b>Insider</b>	As per Article No. 4 of the Egyptian Exchange regulations, insiders are the members of the board of directors of the company and its subsidiaries, their representatives, their spouses, and their minor children, as well as anyone in the position to have access to any of the company's internal information. their spouses, and their minor children.
<b>Material Nonpublic Information</b>	Information about the company or any of its subsidiaries that has not yet become publicly available by an official representative of the organization (such as the Investor Relations Department or a company spokesperson), any information that would impact the organization's share price, and any information that a reasonable investor would consider important when deciding to trade shares.
<b>Insider Trading</b>	Buying or selling shares based on insider material nonpublic information.
<b>Tipping</b>	The communication of material nonpublic information to any third party, even if the third party is not a related person, who is not authorized to have the information and may act upon it.

### **3. Accountability of Employees**

3.1.1. All employees are required to act with integrity, honesty, and with the best interests of the company in mind.

Employees must adhere to the ethical standards mentioned in the policy and take an active role in the prevention of the following activities:

- Leakage of material nonpublic information,
- Insider trading, and
- Tipping.

3.1.2. This policy will continue to apply to former members of the Board of Directors, executives, and directors for 6 months after their status within the organization has been terminated.

### **3.2. Insiders**

3.2.1. Insiders are anyone in the position to have access to any of the company's internal information including but not limited to the following:

- Employees of Elsewedy Electric and its subsidiaries,
- Spouses and minor children of any employee working in Elsewedy Electric Holding Company or any of its

subsidiaries, and

- All third-party service providers (contractors, suppliers, brokers, etc.).

3.2.2. Insiders must not disclose any material nonpublic information related to Elsewedy Electric. If an insider has a question as to whether information is considered material nonpublic information, the insider is required to consult the Investor Relations Department or the Compliance Department.

3.2.3. All insiders who have the intention to buy or sell Elsewedy Electric shares must identify themselves to the Investor Relations Department prior to initiation of any activities on the stock market.

3.2.4. All executives and senior management of the entity and its subsidiaries must report any projects with a value of more than 200 million EGP or its equivalent in other currencies, to the Investor Relations Department in which Elsewedy Electric or any of its subsidiaries is participating in the tender.

3.2.5. All Commercial Team employees are required to communicate the signing date of contracts with a value of more than 200 million EGP to the Investor Relations Department.

### **3.3. Restricted Insiders**

3.3.1. Restricted insiders are those who have a higher possibility of possessing material nonpublic information due to the nature of their role within the organization.

3.3.2. All of the following are considered restricted insiders:

- All members of the Board of Directors,
- Group Chief Executive Officer,
- Group Chief Financial Officer,
- Chief Executive Officers and General Managers of all subsidiaries,
- Chief Financial Officers of all subsidiaries,
- All other C-Level business executives and directors in the holding company and subsidiaries
- Investor Relations Department employees,
- Legal Department employees,
- Compliance Department employees,
- Business Development employees,

- Commercial Team employees in the Holding Company,
- Internal Audit Department employees,
- All employees involved in the bidding process during tenders,
- All employees who communicated interest/intention to trade company shares, and
- First degree relatives of all the above.

3.3.3. The Egyptian Exchange requires the Investor Relations Department to provide a list of all restricted insiders in the organization and the information relevant to trading activities.

3.3.4. Restricted insiders are required to obtain pre-clearance of trade from the Investors Relations Department prior to engaging in any transaction involving the purchase or sale of Elsewedy Electric shares.

## **4. Material Nonpublic Information**

4.1.1. Identifying all categories of material nonpublic information is not possible. Different judgements may be made by the public, the media, and the courts regarding what is considered material nonpublic information. Release of

information to the media does not immediately mean the information has become publicly available, the source of the information must be considered.

4.1.2. Employees must assume information is material nonpublic, unless the following has occurred:

- The Investor Relations Department has submitted a disclosure to the Egyptian Exchange, and
- An official public announcement has been made by a spokesperson/representative of the organization.

4.1.3. Material nonpublic information includes but not limited to the following:

- Any business acquisitions, mergers, joint ventures,
- Upcoming Projects,
- Unpublished Financial Results,
- Corporate actions related to shares such as: stock splits and shareholder divestment,
- Business Partners,
- Sources of Funding,
- Changes in management,
- Financial forecasts and significant business

trends/Budgets,

- Any legal disputes/investigations involving the company, and
- Labor disputes.

4.1.4. Material nonpublic information related to the entity or any of its subsidiaries across all operational countries must remain confidential. Insiders are prohibited from sharing this information with anyone who does not have access to it, including colleagues, family members, friends, third parties, or other persons, through written, oral, or electronic means

4.1.5. Announcing material nonpublic information has a direct impact on the organization's share price and the organization's reputation, therefore affecting organizational performance and objectives, corporate investments, performance in project tenders, and profitability.

4.1.6. If an insider has doubts related to whether the information has been made public, they are required to consult the Investor Relations Department to clarify the situation.

## **5. Preventing Insider Trading & Tipping**

### **5.1. Pre-Clearance of Trades**

5.1.1. Restricted insiders who wish to trade Elsewedy Electric shares must request pre-clearance from the Investor Relations Department. This form is required by the Egyptian Exchange requiring restricted persons to disclose the following information:

- Company name,
- Employee name,
- Type of Trading (sell or buy),
- Volume of security to be traded,
- Percentage of shares owned before and after execution of trade,
- Approved trading window, and
- Broker information.

5.1.2. The Investor Relations Department will review the pre-clearance form to assess if the request will be approved.

5.1.3. Insiders are prohibited from trading prior to receiving pre-clearance approval.

### **5.2. Blackout Period**

5.2.1. The blackout period for trading Elsewedy Electric shares is five days prior to any corporate release of material nonpublic information and one day after the release has been made available to the public as per Article No. 38 of the Egyptian Exchange regulations.

5.2.2. The Investor Relations Department will announce blackout periods to all employees, executives, and board members through company wide emails.

5.2.3. During blackout periods, all restricted insiders are prohibited from trading Elsewedy Electric shares.

## **6. Prohibited Activities**

### **6.1. Insider Trading**

6.1.1. Insiders are strictly prohibited from:

- Engaging in any transactions directly or indirectly involving the purchase or sale of Elsewedy Electric shares while aware of material nonpublic information.
- Engaging in any transactions directly or indirectly involving the purchase or sale of another listed

company's shares while in possession of material nonpublic information that they have become aware of through the employment with or performance of services on behalf of Elsewedy Electric.

- Engaging in any transactions directly or indirectly involving the purchase or sale of Elsewedy Electric shares during Black-Out Periods announced by the Investors Relations Department

6.1.2. Any insider who engages in insider trading will be subject to disciplinary action, civil, and/or criminal penalties.

## **6.2. Tipping**

6.2.1. Insiders are also prohibited from:

- Making recommendations, or giving opinions on trading Elsewedy Electric shares based on material nonpublic information.
- Disclosing material nonpublic information to third parties including family members, friends, or anyone who does not have access to the material nonpublic information.

6.2.2. If any party trades Elsewedy Electric shares based on material nonpublic information as a result of tipping, both the trader and the tipper will be liable for legal and financial penalties.

## **6.3. Additional Prohibited Activities**

6.3.1. Insiders must refrain from:

- Posting on social media (Facebook, Twitter, LinkedIn, Instagram, etc.) any information related to upcoming projects, deals that have been closed, potential partners, existing partners, and all other nonpublic information unless the Investor Relations Department has announced this information through an official outlet.
- Speaking with reporters or reaching out to newspapers regarding any material nonpublic information until the organization has made a public disclosure through an official channel.
- Commenting on share price movement or rumors of other corporate developments unless it is a part of their job description (Ex: Investor Relations) or they have

been specifically pre-authorized by the Chief Executive Officer of Elsewedy Electric Holding Company.

## **6.4. Reporting of Insider Trading Activities**

6.4.1. Any reports of insider trading, tipping, or sharing material nonpublic information will be investigated by the Compliance Department.

6.4.2. If any employee has knowledge of insider trading or tipping, they are required to immediately report this information to the Investor Relations Department or use one of the following whistleblowing reporting channels:

- Online Portal - Speak up  
(<https://compliance.elsewedy.com/>)
- Email (compliance-int@elsewedy.com)
- Mail (Plot No. 13co3, Cairo Festival City- business Park, 5th Settlement, New Cairo, Egypt)

## **7. Sanctions and Penalties**

### **7.1. Organizational Penalties**

7.1.1. Any insider who has disclosed material nonpublic information or found to have been involved in insider

trading or tipping will be subject to disciplinary action by ElSewedy Electric.

7.1.2. ElSewedy Electric reserves the right to take any disciplinary action for non-compliance with this policy in accordance with the Human Resources policies and local labor law.

### **7.2. Legal Sanctions**

7.2.1. Any insider who discloses material nonpublic information or is found to be involved in insider trading or tipping, will be subject to civil and criminal penalties as per the applicable Egyptian laws

7.2.2. Any penalties assigned to Elsewedy Electric by the Egyptian Exchange, Egyptian Financial Supervisory Authority, or any other financial/legal authority will be paid by the insider who has disclosed material nonpublic information or engaged in insider trading or tipping.