

# **RAYA**

## **INSIDER TRADING POLICY**

Approved by: Raya Board of Director

Version: 1.0 Approved for release on: May, 2010

## Background

This policy governs the trading on Raya shares by Raya employees and members of the board of directors in compliance with the regulations set forth by the EGX. Its purpose is to make sure all related parties understand the definition of Insider Trading, the rules and regulations that govern it, and are aware of their responsibility in that respect.

### What is insider trading?

Insider trading is the trading on Raya shares by employees or board members of Raya based on information they may have that has not yet been made public.

### Why is it restricted?

Whereas employees and board members of Raya are free to trade on Raya shares just like any other external investor, it is unfair for them to abuse their knowledge of internal events in Raya to give them advantage during trading that may not be available to other investors. Insider trading is therefore prohibited as it is unfair to the investor base in general to have someone use information they have that has not been made public yet to benefit from the trading on the shares.

## Definitions

### Closed Period:

- ▲ This is the period 15 days preceding and 3 days following the announcement of any material event.
- ▲ Material events include but are not restricted to quarterly earnings announcements.
- ▲ Closed Periods will always be announced in advance by Raya.

## **Silent period:**

- ▲ Is the period of silence and non-disclosure of any information related to the performance of the company since the beginning of the audit of financial statements conducted by the auditor until the disclose of the financial results of the company.

Closed and silent periods will be announced by Raya Corporation.

### **Group 1:**

- ▲ Members of Group1 are all members of Raya board of directors & first degree relatives i.e. (father, mother, children & spouse)

### **Group 2:**

- ▲ Members of Group2 are all Executive Committee members, namely Raya Managing Directors and Function Directors & first degree relatives i.e. (father, mother, children & spouse)

### **Group 3:**

Members of Group 3 are

- ▲ All Raya first and second line managers & first degree relatives i.e. (Father, Mother, Children & Spouse)
- ▲ All members of the following departments & first degree relatives i.e. (Father, Mother, Children & Spouse)
  - Finance & Accounting
  - Planning & Reporting
- ▲ All secretaries and administrative assistants to any manager or director of Group1, Group2 or Group3 & first degree relatives i.e. (Father, Mother, Children & Spouse)

### **Group 4:**

- ▲ Members of Group 4 are all other employees of Raya who are not members of Group1, Group2 or Group3 & first degree relatives i.e. (Father, Mother, Children & Spouse)

## **Material information:**

- ▲ Is the information or information which have a significant impact on the price of securities that is negotiable or influential to the investment decisions of traders, or have an impact on the stock market, and this information becomes public only when declared to all participants of the stock markets at the same time and in the same manner, in accordance with the rules and procedures governing and the disclosure of the stock exchange i.e. Treasury Stocks purchase, Acquisitions, Sales of Assets.

## **Insider Information:**

- ▲ Insider Information is any information about the company, its financial results, its dealings, projects any of the parties or entities associated with them that is:
  - Known to a member of the board of directors or a member of the staff based on his position,
  - And that has material impact on the performance of the company and therefore on its share price,
  - And that has not yet been made public by formal announcement.

## **The Insider:**

- ▲ Anyone over viewing information about the company or issued securities to achieve the benefit for himself or for another person, over viewed whether legally or illegally and whether the person over viewed the information received or learned through another person, directly or indirectly, and the exploitation of internal information is subject to the provision of article (64) of the Code of the capital market.

## **Dealing:**

- ▲ Dealing on Raya shares is defined as acquisition, disposal, and agreement to acquire or dispose of any Raya shares.

## The Policy

### Abuse of insider information

- ▲ All members of Group1, Group2, Group3 and Group4 must make sure not to base their trading decision in Raya shares on the knowledge of Insider Information that is price-sensitive and has not been made public.
  
- ▲ Anyone who violates the obligation of not exploiting internal information under the legal investigation and subject to legal sanctions and the measures included in the capital market law and its implementing regulations and policies, the company does not prejudice the right of coming back to the offender to compensate for damage caused by this.  
It is under the legal investigation of any person who causes or knowingly assists another person to carry out a particular violation of the conduct or participate in trading on the basis of internal information.
  
- ▲ Abuse of the knowledge of Insider Information to make gain or avoid loss on the trading of Raya shares is illegal.

### Restrictions on trade

#### Group1 & Group2

Group1& Group2 members must observe the following when trading on Raya shares:

- ▲ Dealings during any Closed Periods are prohibited.
- ▲ To deal on Raya shares outside of closed periods, the person must inform Raya by sending a mail to the following address:  
[executive\\_trading@rayacorp.com](mailto:executive_trading@rayacorp.com)
- ▲ The person must then ask his broker to complete the EGX form #218 for him or for the first degree relatives i.e. (Father, Mother, Children & Spouse) and submit it to EGX at least 24 hours prior to trading.

### **Group3**

Group3 members must observe the following when trading on Raya shares:

- ▲ Dealings during any Closed Periods are prohibited.
- ▲ To deal on Raya shares outside of closed periods, the person or to deal for the first degree relatives i.e. (Father, Mother, Children & Spouse) must inform Raya by sending a mail to the following address:  
[employee\\_trading@rayacorp.com](mailto:employee_trading@rayacorp.com)

### **Obligation to conform and related sanctions**

By reading and signing this policy, the undersigned acknowledges that he is aware of the definitions of and restrictions on insider trading imposed by Raya and the Egyptian Stock Exchange. And he/she acknowledges that any violation to the terms of this policy, and/or the restrictions on insider trading will expose him to the sanctions imposed by Raya, Egyptian Stock Exchange and the Egyptian laws, and he acknowledges that any liability for such violation , whether criminal or civil, is his personal responsibility solely without any liability on Raya. Furthermore, he undertakes to indemnify RAYA for any and all damage or loss, which it may suffer as a result for such violation.

I hereby confirm that I have read the above policy and understood its contents and that I understand my obligation as a director of the board of Raya Holding/ manager in Raya Group/ employee of Raya Group to abide by it.

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

<b>Version</b>	<b>Prepared by:</b>	<b>Approved by:</b>	<b>Effective Date:</b>
3.1	Reem Asaad Director of Investor Relations	Raya Board of Directors	September 2005
3.2	Reem Asaad Director of Investor Relations	Corporate Governance Committee	May 2010