



Conflict of Interest Policy

Conflict of Interest Policy

First: Introduction

This policy aims at safeguarding the company interests through organizing the conflict of interest with the Board of Directors, Senior Executives, Employees, shareholders and the related parties.

Second: Scope

The conflict of interest arises when a personal interest related to a Board Member, Senior Executives, or Employee is conflicting with the company interest. Also, the conflict of interest may arise when a Board Member, Senior Executives or Employee take decisions or has interest that affects him to perform his duties objectively and effectively. Also, it may arise when a Board Member, Senior Executives, or Employee gains personal benefits as a result of working in the company.

The following cases are considered the most common cases of conflict of interest:

1) Engagement in another work

The employee should devote his time in the company work and shall not engage in any other work without prior written permission from the CEO, provided that such permission to perform another work should not represent an actual or potential conflict of interest with the Company.

2) Investment

Investment relating to a person working with EIC, who personally or his family has an investment interest with current or potential competitor, or with any of the Company's suppliers, contractors or clients. Such investment implies a conflict of interest if the person gains substantial interest from it.

3) Dealings with related parties

The existence of direct interest or benefit between a person who is working for the Company or any party having contractual relation with the company, whether the subject of the contract delivering materials or executing works. This shall apply whether such person concluded the contract in his name, name of one of his family, or for his account. Such acts are considered as conflict of interest. Also, the conflict of interest may arise when there is misconduct in the related parties' transactions by granting it preference or special terms. The related parties can be defined as follow:

- Substantial shareholders of the company
- Board Members of the company or any of its affiliates and their relatives
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Conflict of Interest Policy

- Senior Executives of the company or any of its affiliates and their relatives.
- Board Members and Senior Executives of substantial shareholders of the Co.
- Entities , other than companies owned by Board Member or any Senior Executives or their relatives
- Companies in which a Board Member or Senior Executives or any of their relatives is a partner.
- Companies in which a Board Member or Senior Executives or any of their relatives is a Member of its Board of Directors or is one of its Senior Executives.
- Joint stock Companies in which a Board Member or Senior Executives any of their relatives owns more than (5%) or more
- Companies in which a Board Member or Senior Executives or any of their relatives has influence on their decisions even if only by giving advice or guidance .
- Any person whose advise or guidance influence the decisions of the Company, the Board and the Senior Executives.
- Holding Companies or affiliates.

4) Relatives Loyalty:

A person working for the Company that has a role in taking a decision to facilitate contracting with a firm belonging to one of his families.

5) Competition

Participating in a work or providing service to another competitive entity or to any entity providing or trading in any of the Company's activities may imply actual or potential conflict of interest.

6) Providing or giving guarantees to Loans

Providing any kind of loans to Board members or shareholders or giving guarantees to the concluded loans with any party may be considered as manifestation of conflict of interest

7) Gifts:

The gifts presented by the Company's clients to a person working with the Company may affects his decisions and may arise actual or potential conflict of interest.

8) Using the Company assets or properties

Using the Company's assets or properties to any personal use may constitute a conflict of interest. This includes exploiting working hours, Company Employees, equipment or facilities for interests other than Company's interests, or its objectives and misuse of information gained through the relation with the Company for achieving personal gains.

Conflict of Interest Policy

Third: Disclosing the Conflict of Interest

The Board Members, Senior Executives and the Employees adhere to disclose for any cases of actual or potential conflict of interest. Also, they shall refrain from participating in any activity that conflicts directly or indirectly with the Company interests.

Fourth : Conflict of interest in the Board of Directors

- 1) The Board member shall perform his duties honestly and with integrity. The Company interests will be prior to any personal interest. The Board Member should not use his position for personal gains.
- 2) The Board Member shall not have any direct or indirect interest in the businesses or the contracts concluded for the benefit of the Company, without having a prior permission renewed yearly from the General Assembly. This shall not include the work carried out through public tender if the Board Member has had the best proposal.
- 3) The Member of the Board should avoid any conflict of interests. He should inform the Board about any personal interest in the businesses or contracts that concluded for the benefit of the Company. This notification should be minuted in the minutes of meeting. The Member who has the interest shall not participate in the voting for a decision issued in this regard.
- 4) The Chairman of the Board shall inform the General Assembly about the businesses or contracts in which a Member of the Board has personal interest. The notification should be attached with a special report from the External Auditors.
- 5) The Member of the Board shall not have any right (without prior permission from the General Assembly renewed yearly) to participate in any business that competes with the Company, or trade in any branch of business similar to the Company business. In case the General Assembly refused to renew the permission, the Member of the Board should resign during certain period specified by the General Assembly, otherwise his membership is considered to be terminated unless he decided to abandon the contract, business or the competition or correcting his situation before the end of the period set by the General Assembly.
- 6) The Company should include a separate item the Agenda of the General Assembly meeting for the businesses and the contracts in which the Board Member has direct or indirect interest. This item should include the name of the Board who has the interest, nature of dealing, terms, period and the amount. The voting will be separately on each item and the Board who has the interest is not entitled to vote.



Conflict of Interest Policy

- 7) The company will notify CMA and the shareholders when a contract or transaction concluded with related party, if the amount of the contract or the transaction equals or more than (1%) of the company yearly revenue.
- 8) The Company will not provide any kind of loans to the Members of the Board or giving guarantee for any loans concluded with any party.
- 9) The Member of the Board is prohibited from benefiting directly or indirectly of the Company assets, information and business opportunities that presented to him as a Board Member or presented to the Company. This shall include business opportunities that are similar to the company activity or that the Company would like to take the advantage. The ban applies to a Member of the Board who resigns to exploit the business opportunity.
- 10) The Member of the Board is prohibited from trading the Company shares as per internal information.
- 11) The Member of the Board is prohibited from trading the shares of the Company during the ban periods specified by CMA
- 12) The Member of the Board is committed to inform CMA and the Company when he owns or has any interest in its shares or debts. Also , when there is a change in the ownership percentage by (50%) or more
- 13) The Member of the Board should keep the confidentiality of the information that related to the activities of the Company and not to disclose it to any person.
- 14) Those who wish to be elected in the Board of Directors should disclose to the Board and The General Assembly about any conflict of interests such as the existence of direct or indirect interest in the contracts or businesses that are carried out in favor of the Company or participating in any business that competes with the company business .

Fifth: Conflict of Interest for the Senior Executives

- 1) Refrain from entering into special dealings with the Company without prior approval from the Board of Directors
- 2) Refrain from participating in the businesses that compete with the company without prior approval from the Board of Directors.

Conflict of Interest Policy

- 3) Refrain from exploiting their jobs status in the Company to achieve any interest, benefit or personal gain.
- 4) Refrain from disclosing any None public or confidential information or using that information to achieve personal interest
- 5) Maintain the Company assets and not to use for any personal interest
- 6) Senior Executives are prohibited from trading the Company Shares as per internal information.
- 7) Senior Executives are prohibited from trading the shares of the Co during the ban period specified by CMA.
- 8) Senior Executives has to inform CMA and the Company when they own or have any interest in its shares or debts. Also, when there is a change in the ownership percentage by (50%) or more.
- 9) None acceptance of gifts from any person who has businesses with the Co, if such gifts will lead to conflict of interest.

Sixth: Conflict of interest for the Employees

- 1) Refrain from participating in the businesses that compete with the company without prior approval from the Board of Directors.
- 2) Maintain The Company assets , facilities and properties
- 3) None acceptance of gifts from any person who has businesses with the Company if such gifts will lead to conflict of interest
- 4) None disclosure of confidential information which they become aware as per the nature of their work

Seventh: General Terms

The External Auditors should be independent and have no conflict of interest as per the regulations and professional standards. In case of the existence of such interest, should be disclosed and treated as per the applicable laws and the interest of the Company.

Eighth: Managing the Conflict of interest

- 1) The Board of Directors is responsible for managing the conflict of interest



Conflict of Interest Policy

- 2) The Board of Directors may mandate Audit Committee to review the matters that might imply conflict of interest
- 3) The person will not be in a conflict of interest situation unless the Board has decided that.
- 4) If the Board of Directors decided that the case implies a conflict of interest, the person of interest should correct his situation and abide by all the procedures issued by the Board.
- 5) The Board has the power to punish the violators of this policy
- 6) The Board is the authorized party for the interpretation of this policy, provided that such interpretation shall not contradict with the prevailing regulation and the By Laws of the Co.

Ninth: Amending and publishing the Policy

This Policy shall be implemented from the date of the Board approval and shall be communicated to all employees of the Co. It will be posted on the Company Website. The Board shall make the required changes to the policy.

Name of the Policy	Prepared by	Reviewed and approved	Date of Approval
Conflict of Interest	Secretary of the Board	Board of Directors	15/1/2018



Conflict of Interest Policy

Conflict of Interest disclosure Form

I, the undersigned ----- declares that I have read and understood the Conflict of Interest Policy of Electrical Industries Company that has been prepared as per the Corporate Governance Manual issued by Capital Market Authority. Hence, I agree and abide by the following:

- A- Not acquiring any personal gains or interest whether directly or indirectly due to my position in the Company.
- B- Not utilizing any information related to the Company , or its assets for personal interest or gain

Also, I would like to disclose that I have ownership, investment or interest in the following activities or entities:

In addition to that, I confirm that I am not participating whether directly or indirectly in any arrangements, agreements, investments or any other business with Suppliers, clients or with any party who has dealing with the Company which may result in a personal interest or benefit.

Signature :-----

Date: