

## **The Eastern Company Policy on Disclosure of Information**

### **Definitions:**

#### **Disclosure:**

The act of releasing of all necessary information pertaining EC to all relevant parties and investment community, and make it available to all parties in a sound and fair way (any fair treatment for all investors to ensure that all of them get the information equally).

#### **Investment community**

It means current investors in EC i.e. organizations and/or individuals and prospective investors.

#### **Transparency**

It means full disclosure of financial and non-financial information to the relevant parties in such a manner that enables all relevant parties to evaluate EC's performance.

#### **Material information**

It means information whose omission or amendment may affect the economic decisions taken by users.

#### **Equity**

Being fair and square when dealing with relevant parties and taking their interests into consideration.

**Good information** is characterized by the following:-

- |                  |                  |
|------------------|------------------|
| 1- Periodicity   | 2- Timing        |
| 3- Accuracy      | 4- Inclusiveness |
| 5- Comparability |                  |

### **Listing rules:-**

They are listing rules, listing procedures and listing and de-listing rules by the decree No. 30 of the Capital Market Authority's Board of Directors dated June 18, 2002 and their amendments.

### **Financial statements:-**

They include financial position, income statement, financial flow statement, and change of equity statement and the complementary explanation to the financial statements including the key accounting policies.

### **Relevant parties:-**

They are all stakeholders such as Board of Directors, executives, employees, shareholders, customers, suppliers and banks.

### **Key events:-**

Events that have impact on EC's activity or its financial position which accordingly affects EC's trading in share at the Egyptian Exchange and EC's share value in the market.

### **Executive members:-**

The members who hold down an executive job within EC.

### **Non-executive members:-**

The members who don't hold down an executive job within EC.

### **Independent members:-**

The members who don't hold down an executive job within EC and don't have a common or conflicting interest with EC or interested persons.

### **(1) Objectives**

The disclosure policy directed to investors, current shareholders, press, media and public, as the said policy aims at controlling disclosure on the key events and information in a proper way and with a fair and square to all relevant parties. It also provides them with good information to take right

decisions, and makes real information regularly available about our business and strategic goals in order to enable thorough review of EC's performance as a whole.

## **(2) Scope of Disclosure Policy**

The said policy is applicable to EC' employees, members of Board and executives; it includes oral and written acts of disclosure to financial analysts and current & prospective investors.

## **(3) Handling key events**

Disclosure of key information shall be made in formal statement by EC, and then the competent department in the Egyptian Exchange should be informed with these events upon their occurrence and before the first trading session following the events.

However, if the events happened on holidays, EC shall give notice to Egyptian Exchange immediately upon resuming work and before starting the trade session.

## **(4) Finance & non-financial disclosure**

In addition to all disclosures stated by laws and the listing rules, EC shall disclose the following:-

A) Finance disclosure

B) Non-financial disclosure

### **A) Finance disclosure**

- 1- Financial statements for the periods (quarter- half – annual).
- 2- Disclosure of earnings for the stated periods before the Central Authority of Accounting audits
- 3- Auditor's report for each defined period

## **B) Non-financial disclosure**

- 1- Company's objectives
- 2- Members of Board
- 3- Board of Directors form (executive, non- executive and independent members)
- 4- Relevant party transactions.
- 5- Key features of EC's forthcoming policies.
- 6- The most important developments of EC's policy.
- 7- EC activities as per the statute.
- 8- Disclosure of 5% or more of share's shareholders.
- 9- Annual report
- 10- Prevailing Internal procedure.

### **(5) Disclosure means of the investment community and the public**

According to the listing rules and corporate governance principles, disclosure shall be made through one or more of the following means:-

- 1- Release in the daily newspapers after the Egyptian Exchange being notified of the date of publication.
- 2- Publication in two wide spread morning daily papers in coordination with competent Dpt. in the Egyptian Exchange.
- 3- EC web page (internet web site).
- 4- Any other method after being approved by the Chairman & Managing Director.

### **(6) Spokesperson authorized to disclose**

- Investor relations officer.
- After approval from the Chairman & Managing Director, an assistant of the investor relations officer is assigned by EC spokesperson to

speak in the name of EC in a specific situation or occasion (including without limitation “general assemblies – any individual or unanimous meetings”). This shall be for a limited period of time after which his/her assignment shall be void and null and he/she shall not be entitled to speak in the name of EC any more unless a new official authorization or assignment is given.

- In case one of EC employees receives any inquiries from one of the shareholders or investors, he/she has not to respond to such inquiries, but be transferred to one of investor relations officers or any of their assistant, in case of unavailability.
- All EC meetings with the current shareholders or EC prospective investors shall be attended by the official spokesperson or his/her deputy.

## **7) Initial reports and financial forms review for analysts**

All financial reports, data and forms shall be reviewed by the competent department in charge of preparing such reports prior to being sent to investor relations officer for the purpose of verification before finally being sent to financial analysts.

## **8) Confidential information**

The goal of EC’s policy on confidentiality is to raise awareness about disclosure of information that may harm EC interests, or may be beneficial for its competitors or any company or person that may go through negotiations or raise disputes with EC, or about disclosure of unfair or incorrect data that may put EC, or any of its customers and/or suppliers in a critical situation.

**(9) Unintentional disclosure on the non-public material information**

In case one of EC' employees makes unintentionally commits an act of disclosure about material information, he shall immediately inform his direct manager or EC's investor relations officer with the released information, however, EC shall arrange for adequate and true disclosure on the released information.

**(10) Publication EC's policy and disclosure**

EC's policy will be published in the Company's magazine and board, and it will be circulated to all EC Members of Board and employees. Also it shall be published on EC Web site to enable shareholders and public easily access on.