

# RELATED PARTY TRANSACTIONS POLICY

HHD-GOV-POL-002.V1



## Misr Al Gadida Company

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## Content

No.	Subject	Page
1	Policy Objectives	3
2	Definitions	3
3	Transactions Subject to the Policy	3
4	Scope of Related Parties	3
5	Scope of Immediate Family Members	3
6	Scope of "Indirect" Interest of a Related Person in a Transaction	3
7	Transactions Exempted from the Policy for Dealing with Related Parties and Associated Parties	3
8	Approval of Related Party Transactions	3
9	Criteria for Approving Transactions	4
10	Transaction Approval and Authorization Process	4
11	Actions Taken in Case of Failure to Follow Approval Procedures	4

## **1. Policy Objectives:**

• The Board of Directors of Misr Al Gadida Company and its executive management place at the top of their priorities the management of the company in a manner that achieves the interests of shareholders. The Board of Directors also recognizes that related party transactions constitute an increasing risk of conflict of interest. Therefore, the Board adopted this policy, which must be followed in all related party transactions.

## **2. Definitions**

### **• Related Parties:**

They mean all those who have a direct or indirect relationship with the company that enables them to influence the company's decisions, whether such relationship is through their positions in the company or its affiliated companies, or through owning an influential percentage of the company's shares or the shares of its affiliated companies.

## **3. Transactions Subject to the Policy**

- Any transaction or financial relationship in which Misr Al Gadida Company is a party, and in which there is a direct or indirect interest for a related person.
- For a transaction or relationship to be subject to this policy, it must have a financial aspect, which may include, for example, payments between Misr Al Gadida Company and the related person.

## **4. Related Parties” include the following:**

- All members of the Board of Directors and employees of Misr Al Gadida Company.
- Any candidate for membership of the Board of Directors.
- Any immediate family member of a member of the Board of Directors, a candidate for membership of the Board of Directors, or an executive officer of Misr Al Gadida Company.
- Any owner of more than five percent (5%) of the company's shares, or any immediate family member of such owner.

## **5. Immediate Family Members” include the following:**

- Children
- Stepchildren (children of the husband/wife)
- Parents
- Husbands/Wives
- Stepparents (husbands of mothers or wives of fathers)
- Siblings
- In-laws
- Brothers and sisters

## **6. The Indirect” Interest of a Related Person in a Transaction includes the following:**

- Any related person who acts as an officer or employee, or investor or major shareholder in an entity that is a party to a transaction with Misr Al Gadida Company.

## **7. Transactions Exempted from This Policy:**

- Payment of wages or bonuses by Misr Al Gadida Company to a related person in return for his services to the company in an amount that is commensurate with the relationship.

## **8. Approval of Related Party Transactions**

8.1 The Audit Committee of the Board of Directors of Misr Al Gadida Company must approve any transaction with related parties that is subject to this policy before the commencement of any transaction.

8.2 Such transaction shall be presented to the Audit Committee by one of the executive officers of Misr Al Gadida Company, requesting the Audit Committee to consider it at its next meeting.

8.3 Obtaining approvals and authorizations in accordance with the company's Articles of Association after presentation to the Audit Committee and in accordance with the laws applicable to the company.

## **9. Criteria for Approving Transactions**

9.1 The Audit Committee analyzes the following factors, in addition to any other factors it deems appropriate, to determine whether it will approve a transaction with a related party or not:

- The appropriateness of the terms and conditions for Misr Al Gadida Company.
- The significance of the transaction to Misr Al Gadida Company.
- The role of the related person in arranging the transaction.
- The interests of all related persons in the transaction.

9.2 The Audit Committee shall not approve a related party transaction unless it determines that it is beneficial to Misr Al Gadida Company and that its terms are fair to it.

## **10. Transaction Approval and Authorization Process**

10.1 The Audit Committee, at its sole discretion, has the authority to approve or reject any transaction with a related party after the Board of Directors approves its decision.

10.2 Approval of any transaction with a related party may be conditional upon Misr Al Gadida Company and the related person taking any or all of the following additional actions, or any other actions that the Audit Committee deems appropriate:

10.2.1 Requiring the related person to resign from, or change his position within, any entity participating in the related party transaction with Misr Al Gadida Company.

10.2.2 Ensuring that the related person does not directly participate in negotiating the terms of the transaction between Misr Al Gadida Company and the other persons or entities participating in the transaction.

10.2.3 Determining the duration or size of the related party transaction.

10.2.4 Requiring documentation of the information related to the related party transaction and submission of reports reflecting the nature and amount of the related party transaction to the Audit Committee on a regular basis.

10.2.5 Requiring that Misr Al gadida Company has the right to terminate the related party transaction with a specified prior notice period.

10.2.6 Appointing a representative from Misr Al Gadida Company to monitor the various aspects of the related party transaction.

## **11. Actions Taken in Case of Failure to Follow Approval Procedures**

Any related person, whether an executive officer or a manager in Misr New Housing and Development Company, who violates this policy shall be subject to corrective actions in accordance with the regulations and laws applicable within the company.