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Wegagen Bank

Securities Trading Policy

(Version 0.1)

June 2025

Wegagen Bank S.C.
Board of Directors

Document Control

Name of the **Policy**/Procedure/Guideline/Framework	Securities Trading Policy
Prepared by	Company Secretary
Approved by	Chairman - BoD
Signature	
Approval Date	June 24, 2025
Distribution list	All functional units
Review schedule	As required

Revision History

Date	Revision Number	Change	Reference Section

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1. PREAMBLE

Whereas, it is essential to promote ethical conduct and ensure compliance with legal requirements regarding the transactions involving the buying and selling of securities by directors, employees, and other insiders.

Whereas, insider trading undermines market integrity and occurs when individuals trade securities while possessing material, non-public information, thus violating trust and transparency.

Whereas, such practices are prohibited under Article No. 95 of the Capital Market Proclamation No. 1248/2021, which emphasizes the need for transparent trading practices in the securities market.

Whereas, the Rule Book of the Ethiopian Securities Exchange (ESX), specifically in Volume C: Listing Rules, Section 8.5, mandates that listed companies establish a Securities Trading Policy that is publicly accessible and communicated internally.

Whereas, the implementation of a Securities Trading Policy will provide clear guidelines for all insiders, fostering a culture of compliance and safeguarding the interests of shareholders and the broader market.

Now, therefore, the Board of Directors of Wegagen Bank S.C. hereby issues this Securities Trading Policy to provide essential guidelines for directors, employees, and other insiders with respect to safeguarding of price sensitive information and insider trading. This initiative aims to foster a culture of compliance, transparency, and ethical trading practices within the bank.

2. CORE STRATEGIC ELEMENTS

2.1. VISION

To be a champion of excellence in banking business in Ethiopia

2.2. MISSION

Maximize stakeholders' value by providing diversified banking services through competent and motivated employees, and up-to-date technology

2.3. CORE VALUES

i. **Integrity**

a. Do the right thing, even when no one is watching;

b. Keep your word and honour your commitment;

c. Maintain confidentiality and privacy of customers.

ii. **Teamwork**

a. Collaborate and work collectively to meet our common goals;

b. Promote and support a diverse, yet unified team.

iii. **Responsiveness** - Provide prompt and convenient customer services.

iv. **Innovation**

a. Adapt and respond rapidly to changes;

b. Encourage creativity and new ideas.

3. SHORT TITLE

This policy can be cited as the **"Securities Trading Policy of Wegagen Bank S.C."**.

4. DEFINITIONS

Unless the context indicates otherwise, the following terms shall have the meanings assigned to them in this Policy:

i. **Bank:** - means Wegagen Bank S.C.

ii. **Closed Period:** means a specific period in which all insiders shall not deal in any transaction involving the purchase or sale of the Bank's securities.

iii. **Designated Persons:** means

a. Members of Board of Directors of Wegagen Bank.

b. Members of Senior Management of the Bank.

c. All employees working in the following units:

I. Company Secretary,

II. Executive Assistant,

III. Financial Accounting,

IV. Treasury Management,

V. Investment and Share Administration,

VI. Management Information System, and

VII. Corporate Planning and Monitoring.

d. Restricted Persons

iv. **Board of Directors:** - means to the Board of Directors of Wegagen Bank S.C.

v. **Director:** refers to a member of the Board of Directors of Wegagen Bank S.C.

vi. **ECMA:** means the Ethiopian Capital Market Authority

vii. **ESX:** means the Ethiopian Securities Exchange

viii. **Insider:** means a person in possession of inside information, obtained through:

a. Designated persons,

b. External Auditors of the Bank,

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c. Any person who is or has, during the six months prior to the concerned act, been associated with the Bank, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Bank or holds any position including a professional or business relationship between himself and the Bank whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

d. Immediate family members of persons mention under (a), (b), and/or (C) above.

ix. **Insider Trading**: means a trading transaction that occurs when a person or group of persons who, being in possession of some confidential and price sensitive information not generally available to the public, utilizes such information to buy or sell securities for the benefit of himself, itself or any person.

x. **Immediate Family Members:** means spouse, children, siblings, parents, grandparents, daughter-in-law, son-in-law, brother-in-law, sister-in-law, father-in-law, and mother-in-law, including step and adoptive relationships.

xi. **"Need to know" basis**: means that Unpublished Price Sensitive Information (UPSI) should be disclosed only to those within the Bank who need the information to discharge their duty or legal obligations or legitimate purpose and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

xii. **Principal Officers**: shall include Directors, Chief Executive Officer, Company Secretary, Chief Internal Auditor, Chief Finance Officer, Chief Risk and Compliance Officer.

xiii. **Restricted Persons**: means the persons or class of persons determined by the Board or the CEO the Bank who may be in possession of Inside Information for any given period of time.

xiv. **Subsidiary:** means an entity in which Wegagen Bank S.C holds more than 50% shareholding.

xv. **Securities:** means the ordinary shares of the Bank and any other securities the Bank may issue from time to time;

5. PURPOSE

5.1. GENERAL PURPOSE

Generally, the purpose of this policy document is to provide operating framework to all directors, employees, and other insiders of Wegagen Bank S.C. with respect to buying and selling of the Bank's securities.

5.2. SPECIFIC PURPOSE

More specifically, the policy aims;

i. To set out provisions that apply to trading of securities by directors and employees of the Bank in a way that provides protection against the misuse of unpublished information which could materially affect the value of securities;

ii. To provide a framework that allows the Bank to conduct its business with the highest level of integrity and ethical standards with the aim of preventing insider trading and thereby safeguarding the Bank's reputation and enhancing investors' confidence;

iii. To set out principles with relation to monitoring and reporting of trading of securities by directors and employees of the Bank;

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6. SCOPE

6.1. PARTIES COVERED IN THE POLICY

This Policy shall apply to all insiders and their connected persons, who include, among others, Directors and Employees of Wegagen Bank S.C. and its Subsidiary and their connected persons.

6.2. SECURITIES COVERED IN THE POLICY

The policy shall apply to trading of the Bank's securities, including ordinary shares and any other securities the Bank may issue from time to time;

7. GOVERNING RULE

This Policy is governed by the rule and regulations stipulated in the:

i. Capital Market Proclamation No. 1248/2021 and any amendment thereof;

ii. Public Offer and Trading of Securities Directive No. 1080/2024 issued by Ethiopian Capital Market Authority (ECMA) and any amendment thereof;

iii. Rule Book of Ethiopian Securities Exchange (ESX) and any amendment thereof; and

iv. Other pertinent regulations of the country

8. UNPUBLSIHED PRICE SENSITIVE INFORMATION (UPSI)

8.1. Unpublished Price Sensitive Information (UPSI) is any material information about the Bank that has not yet become publicly available.

8.2. Information is "material" if a reasonable investor would likely consider it important in making a decision to buy, hold or sell securities and such information could reasonably be expected to have material effect the price of the security.

8.3. UPSI considered in this policy are:

i. Changes in the Director of the Bank;

ii. The death, resignation, dismissal or appointment of key management or personnel;

iii. Any change of the Sharia Adviser appointed by the Bank, as required;

iv. Change in the financial year-end;

v. Declaration of financial results;

vi. Declaration of dividends;

vii. A negative change in the financial return forecast or expectation from what may have been previously communicated;

viii. Proposed capital raising or restructuring exercise or changes in the capital structure;

ix. Giving or receiving a notice of intention to make a takeover or mergers, acquisitions or tender offers or divestments;

x. Any proposed change in the business model or general character or nature of the business of the Bank;

xi. Major new developments in the Bank's sphere of activities including major new products, contract awards and expansion plans;

xii. Any change in shareholding by interested persons in accordance with Part 9 of the Capital Market Proclamation;

xiii. Items of unusual or non-recurrent nature;

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xiv. Issue of securities by way of a public offer or rights issue or bonus issue, among others;

xv. Any major expansion plans or winning of bid or execution of new projects;

xvi. Disposal of the whole or a substantial part of the undertaking;

xvii. Any changes in policies, plans or operations of the Bank that are likely to materially affect the prices of the securities of the Bank;

xviii. Disruption of operations due to force majeure events;

xix. Litigation or dispute with a potential material impact;

xx. Any proposed alteration of the Memorandum of Association; and

xxi. Any other information required under the Public Offering and Trading of Securities Directive or information that is necessary to enable shareholders to appraise the position of the Bank and to avoid the establishment of a false market in the shares of the Bank.

8.4. If an employee is in doubt as to whether the information is UPSI, that person should wait until the information becomes public, or should seek guidance from the Company Secretary of the Bank (or the compliance officer).

9. HANDLING OF UNPUBLISHED PRICE SENSITIVE INFORMATION

9.1. UPSI shall be handled on a **'need to know'** basis, which shall be disclosed only to those within the Bank who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information;

9.2. Designated persons have access to most of the UPSI of the Bank and hence shall be considered as 'insiders' at all time;

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9.3. From time to time, some employees of the Bank may come into possession of UPSI because of what they are working on, in which case, they are called "Restricted Person' and become part of the Bank's 'insider'.

9.4. When an employee becomes "Restricted Person', the Company Secretary should notify the employee that he/she become a "Restricted person", along with his/her associated obligations and the time when he/she will cease to be a "Restricted person'.

9.5. All insiders of the Bank shall maintain confidentiality of all UPSI;

i. No insider shall communicate, provide, or allow access to any UPSI, relating to the Bank or any listed companies with whom the Bank has a business relationship, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations;

ii. No person shall procure from or cause the communication by any insider of UPSI, relating to Bank or any listed companies with whom the Bank has a business relationship, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations;

9.6. The Company Secretary shall make aware all insiders of the duties and responsibilities attached to the receipt of inside information, and the liability attached to the misuse or unwarranted use of such information.

9.7. An Insider may not reveal any information to any person unless authorized to do so by the Company Secretary to further his / her legitimate purposes, performance of duties or discharge of legal obligations.

9.8. If an Insider breaches his/her duties and responsibilities in handling UPSI, it shall be reported to the Company Secretary and immediate action shall be initiated to stop the information from being further misused.

9.9. The Bank may give information in strict confidence to its advisers and to persons with whom it is negotiating with a view to effecting a transaction or raising finance. In such cases, the Bank must advise, in writing, the recipients of such information that it is confidential and constitutes inside information and that the recipients should not deal in the Issuer's securities before the information has been made available to the public.

9.10. In cases where the Bank is obliged by law to disclose UPSI to a third party or regulator and if such information thereby enters the public domain, such information should be simultaneously released to the market (the ESX), provided that the Bank shall not be obliged to disclose any impending developments that could be jeopardized by premature disclosure.

9.11. Information that is required to be disseminated must not be given to a third party before it is notified to the ESX except as permitted in the Rule Book of the Exchange.

10. MAINTAINING INSIDER LIST

10.1. The Company Secretary is responsible for maintaining the insider list;

10.2. The Company Secretary shall maintain a list of:

i. its own employees that have access to inside information; and

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ii. The principal contact details of any other relevant person who also has access to inside information regarding either the Bank or the financial instruments of the Bank.

10.3. The list shall state the:

i. Identity of any person with access to inside information,

ii. Reason why the person (s) has/have access to inside information,

iii. Date on which the person (s) first had access to inside information, and

iv. Date on which the list was created;

10.4. These lists shall be updated whenever:

i. there is a change in the reason why a person has access to inside information;

ii. a new person is added to the list; and

iii. any person on the list no longer has access to inside information.

10.5. The Bank (through the Company Secretary) shall submit its Insider list to the ESX not later than thirty (30) days after the end of each quarter in the format prescribed by the ESX.

11. PROHIBITION AGAINST INSIDER TRADING

11.1. A person that has Inside Information in relation to the Bank and knows, or ought reasonably to know that the information is Inside Information, that person may not:

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i. Purchase, sell or otherwise acquire or dispose of any securities of the Bank; or

ii. Attempt to induce or recommend to another person that they purchase, sell or otherwise acquire or dispose of any securities of the Bank;

11.2. Director or employee of the Bank may not:

i. Disclose to any other person or entity any material non-public information concerning another company which he or she learned in the course of his or her service as a Director or Employee of the Bank; or

ii. Purchase, sell or otherwise acquire or dispose of any securities of another company while he or she is aware of any material non-public information concerning such other company which he or she learned in the course of his or her service as a Director or Employee of the Bank or recommend to another person or entity that they do so.

11.3. If a person ceases to be a Director or Employee of the Bank at a time when he or she is aware of material non-public information, the prohibitions of the section (10.1 & 10.2) shall continue to apply to such person until that information has become public or is no longer material or until 6 months has elapsed after ceasing to be the Bank's Insider.

11.4. The burden to comply with the provision of insider trading rests upon each insider individually. Where an Insider is in any doubt as to whether the information, he/she possesses is an unpublished price-sensitive information, then he/she must seek clarification from the Company Secretary before trading in the securities.

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12. SHORT TERM TRADING

12.1. All insiders of the Bank must not engage in short term trading of the Bank's Securities;

12.2. For the purpose of this policy, the buying of Securities with a view to resale within a 6 month period and the sale of Securities with a view to repurchase within a 6 month period would be considered to be transactions of a short term nature;

12.3. In case the sale of securities of the Bank is necessitated due to personal reasons or emergency situations, the holding period referred above may be waived by in the following manner:

i. The insider shall lodge the request for waiver of the holding period to the Company Secretary indicating the reasons that necessitate the intended transaction;

ii. The Company Secretary shall approve the request for waiver after reviewing and recording the reasons for the transactions; and

iii. However, no such sale shall be permitted during the closed period.

13. CLOSE PERIOD

13.1. The closed period shall be effective from:

i. The end of the financial period in review (quarterly, biannually and full year);

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ii. Fifteen (15) business days prior to the date of any meeting of the board of directors of the Bank proposed to be held to consider any price-sensitive matters or the date of circulation of agenda papers, whichever is earlier;

and shall remain in effect until twenty-four (24) hours after the price sensitive information is submitted to the ESX. The trading window shall thereafter be opened.

13.2. The Bank shall notify the ESX in advance of the commencement of each closed period.

13.3. The closed period shall be a time to disclose all or any of the material non-public information (or price sensitive information) to the ESX.

13.4. All insiders of the Bank shall not deal in any transaction involving the purchase or sale of the Bank's securities during closed periods;

13.5. Trading may be permitted during a closed period, with the prior approval of the Company Secretary for employees and the Board Chairperson for board members. The trading happens only in the following circumstances:

i. To execute transactions pursuant to statutory or regulatory obligations or court orders;

ii. To exercise stock options under a pre-existing employee stock option scheme; and

iii. To execute transactions between Insiders only.

14. DISCLOSURE

14.1. All insiders of the Bank shall disclose holding of securities of the Bank in their names (including immediate family members) upon becoming an 'insider' of the Bank;

14.2. All insiders of the Bank shall notify the Bank (through the Company Secretary) the occurrence of all transactions conducted on their own account in the shares of the Bank on the day on which the transaction occurred.

14.3. The Bank (through the Company Secretary) shall disclose the transaction to the ESX within one (1) business day as of the date of notification by the insider (s).

14.4. The Company Secretary shall prepare report to the Board of Directors on all trading notified on quarterly basis;

14.5. In relation to securities transactions by directors and Principal Officer, the Bank shall disclose in its interim reports (and summary interim reports, if any) and annual reports (and summary financial reports, if any):

i. Whether the Bank has adopted a securities trading policy regarding securities transactions by insiders as per the required standard set by ECMA and ESX;

ii. Whether insiders have complied with, or whether there has been any non-compliance with, the Bank's Securities Trading Policy and the required standard set out by the ESX regarding securities transactions by insiders; and

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iii. Details of any non-compliance with the required standard set by the ESX and an explanation of the remedial steps taken by the Bank to address such non-compliance.

15. MONITORING AND INVESTIGATION

15.1. The Company Secretary shall monitor the compliance with the requirements of this policy by the insiders;

15.2. Where a possible breach is identified, proper investigations will be carried out and the Company Secretary may seek support/information from any functions of the Bank or external organs that could provide the required information/data to complete the investigation.

15.3. The outcome of such investigation report shall be made available to Core Management or Board of Directors, as appropriate.

16. PENALTY FOR NON-COMPLIANCE

16.1. All insiders of the Bank who trade in securities or communicate any information for trading in securities of the Bank in contravention of this policy shall be penalized and appropriate action may be taken by the Bank;

16.2. All insiders who violate this Policy shall also be subject to disciplinary action by the Bank in line with the existing related policy and procedures.

16.3. If it appears that a person may have violated the regulations of ECMA and ESX, the Bank may refer the matter to them and the person could also be subjected to the actions taken by the ECMA and ESX for violations of the regulation;

17. ROLES AND RESPONSIBILITIES

17.1. THE BOARD OF DIRECTORS

The Board of Directors shall;

i. Approve Securities Trading Policy of the Bank; and

ii. Oversee the implementation of the policy through periodic reports;

17.2. THE CEO

The CEO shall;

i. Develop the Security Trading Policy of the Bank for subsequent approval by the Board of Directors;

ii. Implement the Policy by translating it into operational guidelines or procedures;

iii. Build the capacity in securities trading matters for proper implementation of the Policy; and

iv. Review regular reports on the implementation of the Policy.

17.3. COMPANY SECRETARY

The Company Secretary shall;

i. Implement this Policy under the supervision of the CEO and Board;

ii. Prepare guidelines or procedures including designing of formats for getting information or undertaking various activities referred to in the Policy;

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iii. Monitoring adherence to the rules for the preservation of Price Sensitive Information;

iv. Approve the requests for waiver of holding period by the Bank's insiders in cases where they want to sell the Bank's securities before the minimum holding period;

v. Maintain a record (either manually or in electronic form) of the insiders of the Bank and changes thereto from time-to- time;

vi. Assist all the insiders of the Bank in addressing any clarifications regarding this Policy and related regulations;

vii. Prepare status reports to the Board on a quarterly basis, detailing trading in the securities by the insiders in accordance with this Policy; and

viii. Act as the focal person for ECMA and ESX in connection with all matters relating to the compliance and effective implementation of this policy and related regulations.

17.4. CHIEF RISK AND COMPLIANCE OFFICER

The Chief Risk and Compliance officer shall;

i. Access risks emanated from managements of UPSI and insiders trading,

ii. Ensure compliance with relevant laws, regulations, and internal policy of the Bank.

17.5. CHIEF INTERNAL AUDITOR

The Chief Internal Officer shall provide objective and independent assurance on the effectiveness of risk management related to securities trading

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18. EFFECTIVE DATE

The Policy shall take effect from the date of June 24, 2025.

ANNEX

Form A – DECLARATION OF AGREEMENT WITH SECURITY TRADING POLICY

Being an "Insider" (as defined in the Bank's Security Trading Policy) of Wegagen Bank S.C (the "Bank"), I (the undersigned):

- Declare that I received a copy of the Security Trading Policy, familiarized myself with the contents thereof, including the sanctions applicable to insider trading and unlawful disclosure of Inside Information, and that I will comply with the provisions of such Policy.
- Declare that I notified my immediate family members of their reporting obligations under the Security Trading Policy by providing them with a copy of the Policy, and have kept a copy of such notification.
- Agree that the Company Secretary is entitled to hold an inquiry with respect to the holding of and effecting trades or ensure that an inquiry be held and report in writing on the outcome thereof, but only after I have been given the opportunity to respond to the outcome of the inquiry.
- Declare that I will at all times remain ultimately responsible for compliance with applicable securities laws.
- State that, on the date that this statement was signed, I own ________________ shares in the Bank.

Name: ....

Job Position: ....

Signature: ....

Date: ....

(For use of Company Secretary)

Received by: ....

Signature: ....

Date: ....

FORM B- INITIAL DISCLOSURE

Securities held by an "insider" of the Bank and his/her immediate family members at the date of the appointment as an "insider'.

No	Name	Job Position/ Family relation	National ID No.	Securities held		% of share holding
				Type	number	
For Self						
For Immediate Family Member						

I hereby declare that the above information provided are true and correct.

Name: ____________________

Date: ____________________

Signature: ________________

FORM C- INITIAL DISCLOSURE to ESX

Securities held by the "insiders" of the Bank at the date of the appointment as "insiders'

No	Name	Date of appointment as an "Insider"	Job Position/ Family relation	National ID No.	Securities held		% of share holding
					Type	number	

I hereby declare that the above information provided are true and correct.

Name of Company Secretary: ____________________

Date: ____________________

Signature: ____________________

FORM D: ANNUAL DISCLOSURE ON SECURITIES HELD BY "INSIDER"

Wegagen Bank S.C. Board of Directors

Statement of Annual Disclosure regarding Bank's Shares held by persons considered as "insiders" of Bank and their immediate family members

Name	
Job Position	
Financial Year Ended	

Particulars of shareholders		Particulars of shareholding					
Name	Relation	Nation ID	Bank Acct.	No. Shares held at the beginning year	No. Shares acquired during the year	No. Shares sold during the year	No. Shares held at the end of the year

FORM E: DISCLOSURE OF TRADING TRANSACTIONS

Wegagen Bank S.C. Board of Directors

(To be submitted on the date of transaction / trading in securities of the Bank)

To: Company Secretary
Wegagen Bank S.C.

Subject: Disclosure of Trading Transactions

I hereby inform that I have bought /sold the securities of the Bank on__________ (date) as indicated below.

Name	Shareholding number	National ID	Number of Securities traded	Bought/Sold	Price

I declare that the above information is correct and that no provisions of the Bank's Policy and/or applicable laws/regulations have been violated for effecting the above said transactions(s).

Name: ____________________

Date: ____________________

Signature: ________________

FORM F: APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD

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To: Company Secretary
Wegagen Bank S.C.

Subject: Request for Waiver of Minimum Holding Period

Dear Sir,

I request you to grant me waiver of the minimum holding period of six (6) months as required under the Security Trading Policy with respect to ______ shares of the Bank held by me /_______ name of the dependent) acquired by me on _______. I desire to deal in the said shares on account of ________

(Give reasons)………………………..

Thanking you,

Name of Applicant: ______________________

Date: ______________________

Signature: __________________