



ABG INTERNAL POLICY ON KEY PERSONS HOLDINGS & DEALINGS IN SECURITIES

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Document Control

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Reviewers

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Recommendations

Name	Position	Date / Resolution & Meeting Number
Mr. Mazin Manna	Group Chief Executive Officer	08/12/2021 (by e-mail)
Board Compliance & Governance Committee		02/02/2022 no. 1/2022 (virtually)

Approval

Name	Position	Date / Resolution & Meeting Number / Signature
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1. Preface

Islamic Banking and Good Governance

The Islamic ethics of business are the backbone of Islamic banking, requiring adherence to the highest levels of transparency and principles of good governance. It is in this way that the global drive to enhance corporate governance is essentially consistent with the Islamic business ethics. Our internal policies and procedures seek to incorporate and blend both the ethical principles of business and the global governance best practices.

Our Vision and Business Philosophy

Al Baraka Banking Group was incorporated on June 27, 2002 to embrace, under a single entity, separate independent banks, operating in different countries, some of which had been established over the past four decades. Al Baraka's business philosophy has been to provide retail, commercial, corporate, investment banking and treasury services in conformity with the principles of Shari'a across the globe in a way that adds value to our shareholders, customers and the communities in which we operate.

Our Strategic Objectives

With the establishment of a corporate governance and management infrastructure consistent with the contemporary international banking standards, Al Baraka functions under the following strategic objectives:

1. Increase profitability
2. Product innovation
3. Enhance technology and internal processes
4. Improve customer and staff satisfaction
5. Sustainability and social responsibility

In view of the above, our policies and procedures seek to embody the ethos of good ethics and governance in the Islamic banking environment.



2. Summary of the Document

This Policy is issued in compliance with the Resolution No. 16/2010 issued by the Chairperson of Bahrain Bourse on November 4, 2010 and the CBB Rules. The Policy has also adopted most of the Rules applied to Nasdaq Dubai in as much as they are in conformity with the CBB and BHB Rules.

The BB requested all listed companies to implement, comply with, and internally adopt the guidelines on Key Persons issued by it under the above Circular. The rationale behind such guidelines is to maintain a fair, orderly and transparent securities market and to enhance and develop the practices relating to the risk management systems and internal control within the listed companies and other similar institutions.

Therefore, these regulations are to be considered as the basic instructions on the monitoring supervising and handling insiders' issues, in addition to outlining their duties to disclose, and restrict their dealing in their companies' securities.

2.1. The objective of the document

The primary objectives of these regulations is to ensure that all Key Persons in ABG are acquainted with and aware of the legal and administrative requirements regarding their holdings and dealings in its securities, in addition to preventing such Key Persons from any abuse of inside information.

2.2. The particular part of governance it seeks to address and improve

This Policy shall be designated as Al Baraka Banking Group B.S.C. (ABG) Policy on Key Persons Dealings & Holdings in ABG Securities. It helps to regulate and disclose the related ownership of Key Persons according to the related regulations and to avoid any market violation with uncompliant Insider trading.

2.3. Who are the primary and secondary audience for this document

The investor Relations Department
The Legal Department
The Insiders / Key Persons Registrar officer



3. Document Administration

3.1. Maintenance of the document

In order to ensure the document referred to is the current version, the document shall be maintained in a central electronic repository on ABG's network and the following guidelines for use and maintenance shall apply:

- a. Any section of the document or the document in totality, if printed, will automatically assume an "un-maintained" status and the user of hard copy of the document shall assume full responsibility for resultant non-compliance to policies in the event of changes made to the version held on the central electronic repository.
- b. Changes to the document will be monitored and controlled through a version control numbering system. The manual when first released in the electronic repository shall bear the version number V1_Month of release/Year of release (e.g V1_01/2016 which means first version released and the release date is January 2016). Subsequent amendments will be numbered V2_Month of amendment/Year of amendment, V3_Month of amendment/Year of amendment and so on.
- c. The document shall be stored in a separate electronic folder within the document repository under the policies, procedures, guidelines and charters custody at ABG Head Office and a copy maintained with the owner department.
- d. Access to the document shall be restricted to "read only" for all users to prevent any unauthorized amendments to the manual.
- e. The document will be issued to ABG employees where the document is relevant

3.2. Amendments to the document

The owner department are required to update the document every two years as a minimum. In case of any major changes requiring the change of the document, the owner department need to update the document even before the completion of 2 years from the last update. The authority for this regular update and also any major changes are to be approved as per the original approving party.



4. Scope:

The following Policy shall be designated as Al Baraka Banking Group (ABG) Policy on Key Persons Dealings & Holdings in Securities.

5. Procedures related to this policy document

The procedures' documents required to implement this policy document (if required) need to be prepared and regularly updated by the Investor Relations Department and then to be approved as per the authorities mentioned in the **ABG Control Documents Management Policy**.

6. Definition

6.1 "ABG" means AlBaraka Banking Group (B.S.C).

6.2 BB means Bahrain Bourse

6.3 Beneficial Owner - refers to any person who, even if not the recorded owner of the securities, has or shares the underlying benefits of ownership. These benefits include the power to direct the voting or the disposition of the securities, or to receive economic benefit of ownership of the securities. A person is also considered to be the "beneficial owner" of securities if that person has the right to acquire such securities within a certain period of time, either by option or other agreement. Beneficial owners include persons who hold their securities through one or more trustees, brokers, agents, legal representatives or other intermediaries, or through issuers in which they have a "controlling interest", which means the direct or indirect power to direct the management and policies of the issuer, or any other entity in question.

6.4 CBB - means the Central Bank of Bahrain

6.5 The CMS Directorate - means the Capital Markets Supervision Directorate at the Central Bank of Bahrain.

6.6 The Committee - means the Key Persons Trading Committee appointed to manage Key Persons and insiders trading, holdings and related issues.

6.7 Connected Person - in relation to:-

(a) an individual means:-

- (i) the individual's spouse, and his/her son, adopted son, stepson, daughter, adopted daughter, step-daughter, father, step-father, mother, step-mother, brother, step-brother, sister or step-sister; under his/her guardianship or control, or
- (ii) a firm or a corporation in which the individual or any of the persons mentioned in sub-paragraph (i) has control of not less than 10% of the voting power, whether such control is exercised individually or jointly;

(b) a firm or a corporation, means another firm or corporation in which the first-mentioned firm or corporation has control of not less than 10% of the voting power in that other firm or corporation.

6.8 Dealing - (Whether as principle or agent) making or offering to make with any person, or inducing or attempting to induce any person or to enter into or to offer to enter into any agreement for or with a view to acquiring, disposing of, subscribing for, or underwriting securities of the bank. Dealing also



includes (but is not limited to) off-exchange transactions, including subscriptions of securities of the bank, as well as transaction relating to securities of the bank that are quoted on another Exchange.

6.9 Key Persons - includes members of the Board of Directors, senior management, ABG itself and such other personas decided by ABG Insiders committee to have access to inside information relating to ABG from time to time Including consultants or external auditors

6.10 Inside Information - means information (a) which is of a precise nature relating directly or indirectly to one or more security or securities; (b) which has not been made public; (c) which, if made public, is likely to have a significant effect on the price of those securities or any related derivative security.

6.11 Insiders - When the term insiders is used in these rules without restriction, it applies to primary insiders, temporary insiders and other insiders, as applicable. All persons who come into possession of material inside information before its public release are considered insiders for the purposes of the CBB Disclosure Policies. Such persons include controlling shareholders, “directors and senior management”, officers and employees, and frequently should also include any officials of the Agency and the Exchange who have access to such information, outside attorneys, accountants, auditors, underwriters, investment bankers, public relations advisers, advertising agencies, consultants and other independent contractors. The husbands, wives, immediate families and those under the control of insiders may also be regarded as insiders. Where acquisition or other negotiations are concerned, the above relationships apply to other parties to the negotiations as well. Finally, for purposes of this Policy, insiders include “tippees” who come into possession of material inside information.

6.12 General information - The following information would be considered to be generally available:

- general market information that has been announced to a stock exchange or is contained in a public announcement by the company concerned;
- information obtained by investment research which is based on information freely made available by companies to the researcher and is generally made available to anyone making similar enquiries;
- published information of investment advisers and brokers.

Before information can be considered to be generally available, a reasonable period must have elapsed after the information was first made known, for the information to be disseminated among investors. Generally, this means that a person who has access to inside information should wait 72 hours after that information is announced publicly before dealing in securities.

All other forms of information should be regarded as not generally available.

6.13 Insider Trading - “insider trading” refers not only to the purchase or sale of an issuer’s equity and debt securities, but also to the purchase or sale of puts, calls or other options with respect to such securities. Such trading is deemed to be done by an insider whenever he has any beneficial interest, direct or indirect, in such securities or options, regardless of whether they are actually held in his name. The concept of “insider trading” includes “tipping”, or revealing inside information to outside individuals, to enable such individuals to trade in the ABG securities on the basis of undisclosed information.

6.14 Market Information - means information consisting of one or more of the following facts:



Means any published information about trading or no-trading in certain types of securities, their number, prices, range of price for trading or the identity of those involved or who may be involved in any capacity such as trading.

6.15 Materiality - information is material if its omission or misstatement could influence the economic decisions of the users taken on the basis of the financial statements.

6.16 Price Sensitive Information - Information will be regarded as price sensitive where a reasonable person would expect the information to have a material effect on the price or value of the securities. A material effect on price or value exists where the information is likely to influence people who commonly invest in securities in deciding whether to subscribe for, buy or sell those securities.

6.17 Share - means a share in the paid-up share capital of ABG and includes stock, except where a distinction between stocks and shares is expressed or implied.

6.18 Temporary Insider means any person who is an insider but not a Key Person.

6.19 Tipping - involves an insider communicating either directly or indirectly inside information to another person when the insider knows or should reasonably know that the other person would or is likely to use that information to deal in securities or to induce a third party to deal in the securities. Tipping is a form of insider trading and is prohibited by the Corporations Law.

7. Transaction by key persons

7.1 Any change in the Board of Directors and senior management must be notified immediately to the CBB and BB.

7.2 The rules issued by the CBB and BB should be regarded as applicable to purchases by ABG of its own shares.

7.3 Key Persons wishing to buy or sell in securities of ABG, must first pay attention to the following basic rules, and any other rules issued by the CBB and BB from time to time:-

- 7.3.1 They should not deal in its securities on considerations of a short-term nature.
- 7.3.2 That they will always be thought to be in possession of more information than nonpublic/nonpublished information. Accordingly, they must accept that they cannot always feel free to deal in ABG securities, even when the rules would not prohibit them from doing so.
- 7.3.3 They must schedule their trading of securities issued by the company in such a manner that their trading will not undermine confidence in the securities market.
- 7.3.4 They must refrain from trading and wait until the following day's trading session, or after 24 hours, whichever is less, after the publication of the financial statements have been released in the local newspapers.

7.4 Any Key Person who has knowledge of the exceptional matter in question even if he is not prohibited from dealing he should nevertheless refrain from dealing under the circumstances when the matter in question constitutes unpublished price-sensitive information in relation to ABG securities.

7.5 In principle, a Key Person should seek to secure that all dealings in which he is deemed to be interested should be conducted in accordance with the provisions of Article(8) of this Policy.



Nevertheless, it is recognized that a Key Person's duty in this respect will depend on the particular circumstances. A Key Person who is sole trustee, for example, should follow the same procedure as for any dealings in his own account, and should deal only if he would be personally allowed to do so under the rules even if he is exempt from the general prohibitions imposed by the CBB law and rules.

Where a Key Person has co-trustees who are not directors of the ABG, he may not be able to ensure that the procedure applicable to his personal dealings is followed in respect of dealings on behalf of the trust. The director/trustee has to avoid acting in breach of trust, and at the same time to refrain from divulging or abusing confidential information.

If a Key Person, whether or not himself a trustee, has as settler or otherwise, an important influence over the decision of the trustee, the procedure applicable to his personal dealings ought to be followed and the trustee should not deal when he personally is not free to deal. Again, the remoteness of some interests may be such as to make the imposition of any duty under Article (6) below impracticable or inappropriate. Article (8) below indicates certain precautions, which should be taken.

No Key Person shall deal, where prohibited from doing so by the law and rules, or make any unauthorized disclosure of any confidential information, whether to co-trustees or any other person, or make any use of such information for the advantage of himself or others.

- 7.6 When a Key Person places investment funds under professional management where either he retains or exercise influence, the managers should be made subject to the same restrictions and procedures as the director himself, in respect of proposed dealings in the ABG securities.

8. Guidelines for the trading by key persons

- 8.1 If a Key Person is in possession of inside information he/she should contact the Insider's Committee of the bank and the Key Persons Registrar before engaging in any securities transaction to declare his attention and obtain the no objection of the CEO & Board.

Insider's Committee /Key Persons Registrar
Mr. Ahmed AbdulGhaffar
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- 8.2 The same restrictions should apply to dealings by a director or by an employee in the securities of any other listed issue, when by virtue of his position as Key Person of ABG, he is in possession of unpublished price-sensitive information in relation this issue.
- 8.3 Key Person can deal in securities of ABG in compliance with this Policy and regulations without notifying the Committee, except if the volume of the deal or his overall position exceed 0.5% of the total issuance (issued capital), where he needs to notify the committee and obtain a written approval.
- 8.4 The restrictions on dealings by a Key Person contained in these rules should be regarded as equally applicable to any dealings by his or her spouse, or by or on behalf of any minor, and any other dealings in which for the purpose of the applicable laws, regulations and rules he is to be treated as interested. It is the duty of the Key Person to seek avoidance of any such dealing at a time when he himself is not free to deal.



- 8.5 Any Key Person who acts as trustee of a trust should ensure that his co-trustees are aware of the identity of any company of which he is a Key Person, so as to enable them to anticipate possible difficulties. A Key Person having funds under management should likewise advise the investment manager.
- 8.6 Any Key Person who is a beneficiary, but not a trustee, of a trust which deals in securities of ABG, should endeavor to ensure that the trustees notify him after they have dealt in such securities on behalf of the trust, in order that he in turn notify ABG.
- 8.7 A list of Key Persons dealing in the securities of ABG since the date of the previous list should be circulated to members of the Committee, or alternatively, the register maintained for this purpose.
- 8.8 ABG shall endeavor to ensure that any Key Persons or directors, who as a board member or individual employee of a subsidiary company and, because of his office or employment in the company or subsidiary, is likely to be in possession of unpublished price-sensitive information in relation to the securities of any listed company, should deal in those securities in accordance with this Policy.

9. Notification of Dealing:

Key Persons shall advise the Key Person Registrar to record details of the dealing by the end of the next business day following the completion of the dealing. The Committee shall immediately file with BB such notifications by Key Person. However, dealing by ABG itself on its shares shall be reported to BB on daily basis if the volume exceeds 1% of the issued share capital; otherwise the dealing will be reported on monthly basis or as required by the Rules.

10. Declaration and maintenance of a register on key persons

10.1 Key Persons

10.1.1 Declaration Requirements

Key Persons shall provide to the person in charge of the Key Persons' Register their basic personal data and information on people under their guardianship or control, as well as on corporations controlled by them, and corporation in which they exercise influence, by completing specific declaration forms. ABG shall further notify the Exchange of any changes to its Register of Key Persons within 10 calendar days of such change.

a. Initial filings of the Register of Key Persons (Form KP1)

The form shall be used for initial filing of the Register of Key Persons with BB, and includes the followings:

- i. Form KP1 (Part 1) - The Bank's Authorized Representative Information
Should be completed and submitted to the Exchange not more than 10 calendar days as follows:
 - after the start of trading when ABG is first listed on the Exchange.
 - upon the conclusion of the ABG Annual General Meeting.
 - upon the Exchange's request.



- ii. Form KP1 (Part2) - Particulars & Holdings of Key Persons
For purpose of filling this form, a person has a holding in a security if he/she is the registered holder of the security or otherwise has the authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, that security.
- i. Form KP1 (Part 3) - Summary of particulars & holdings of Key Persons Register
Should be completed for the purpose of summary of particulars & holdings of Key Persons Register.

b. Filings of Changes to the Register of Key Persons. (Form KP2)

Should be completed for changes to an Issuer's Register of Key Persons either due additions or removals of Key Persons, or changes in the particulars or holdings of existing Key Persons. Refer to 8.1.3 (d) for Key Person's Obligations.

The above stated forms (KP1 and KP2) must be completed by authorized officer of ABG, typically the Corporate Secretary or other authorized representative of the bank, and submitted to the Exchange both in physical form and electronically to:

'keyperson@bahrainbourse.com.bh' (in Excel Format).

c. Key Persons in more than one Listed Company

A person who is an insider in other listed companies in addition to ABG must complete the required declaration forms for each listed company.

d. Declaration Requirement by Insiders by Definition

The company shall maintain a register on Key Persons by definition as well as the duty to declare in the same manner as that of statutory Insiders.

10.1.2 Maintenance of Key Persons Register

- i. ABG shall create a separate register called the "Key Persons Register" which shall be maintained at its headquarters. The Key Persons Register shall be made available for investigation and inspection to the CBB and BB at all times.
- ii. The Register shall be maintained and kept by ABG for a minimum period of 5 years.
- iii. The bank shall appoint a person to be the person in charge of the Key Person Register who have the duty to submit the Key Person Register to the BB and to notify the BB of any changes.
- iv. The bank's authorized representative shall immediately file with BB any dealing by the Key Persons.

10.1.3 Information to be entered in the Key Persons Register

- a) Basic information relating to a person with the duty to declare:
Upon the appointing, electing, or employing a statutory Key Person ABG shall declare the statutory Key Person and his/her insider position in ABG, using the Notification Insider Position by Listed Company (Form: Ins-1 appendix - 1).
- b) Information on Key Person's Beneficial Ownership



The Key Person's own holdings and interests in the bank, as well as the holdings of any persons under his/her guardianship or control, and of corporation in which he/she exercises control, and changes in the holdings shall be entered in the Insiders' Register. Shares issued by ABG and by its subsidiaries shall be subject to the abovementioned duty to declare.

- c) Details regarding dealings by Key Persons in securities of the bank
- d) A Key Person's Obligation:
 - i. As the registration of holdings and any changes varies in different situations, different actions are required from the insiders as follows:
 - Each employee who has concluded an employment or service contract with ABG is personally responsible for having been entered in the Key Persons' Register and filing the required declarations of insider holdings and trading if he notified by the committee as a Key person, or has access to insiders information in ABG.
 - Changes of the shares traded in the BB shall automatically be entered in the Central Depository System and the Key Persons' Register and, such changes must be reported to the committee or the person in charge not later than next business day in case of any dealings and/or in case shares has been assigned to another person. Form KP2 should be used in this case.
 - When a transaction or other changes (e.g. gift, inheritance, or any permitted off-the-market transactions) has been concluded outside the BB, a Key Person shall personally ensure that the changes are declared and entered in the Register.
 - When a change is related to shares other than those deposited with the CDS system (e.g. derivatives contracts, options based on an employment relationship, a share of a Bahraini listed company quoted abroad), a Key Person shall ensure changes are declared and entered in the Register.
 - ii. The Key Person should not encourage others while he/she is in a position of insider information.
 - iii. The above terms will apply to key persons' dealing in BB and other exchanges and the Key Person shall comply at all times to this policy.

10.2 Temporary Insider

When ABG expressly defines any person(s) as a Temporary Insider, the declaration and information relating to those insiders should be entered into the Temporary Insiders' section within the Register.

Any person who considers that he/she comes within the definition of temporary insider shall notify ABG as per Form Ins-2(appendix -2)

The register should include:

- 1) The date at which such person becoming a Temporary Insider (i.g. Date of project);
- 2) The person's name as well as the represented corporation or authority of the persons outside ABG who have been given information on the project;
- 3) The date and time when the notification of entry in the Register has been given to a Temporary Insider;
- 4) The date and time when a Temporary Insider has submitted notification of the project (if this moment is different from moment of notification of entry in the Register),



- presuming that the moment, when the notification has been submitted, is known to the person in charge.
- 5) The termination of the project as a result of publication or expiration thereof as well as the date of termination.

The Register shall be confidential. Entries in the Register shall also indicate the person responsible for such entries.

A person entered in the Register shall be notified of the entry made and of its significance. The restrictions on the operations resulting from entry in the register may vary, depending in the stage at which the Register is drawn up or the entry is made therein.

The CBB shall also have the right to access the information relating to the management of the Temporary Insider information of ABG.

8.3 Updating of Key Person's Register:

All Key Persons shall renew their Declaration every two years. They are required to provide the Declaration stated under Clause 8.1.1 above to the person in charge of the Key Person Register within one month from the date of serving them notice to renew their Declarations.

8.4 Removal and Adding of Key Persons:

The Committee shall have the right to remove, add or amend the list of Key Persons from time on recommendation of the concerned heads of departments or the Secretary of the Committee

11. Scope of the restriction on trading

The restrictions on trading shall be applied to ABG Key Persons as well as to persons under their guardianship and control, and corporations in which they exercise control or influence.

The restriction on trading shall not be applied in cases where:

- 1) Buying shares by subscribing or obtaining them directly from ABG or its subsidiary;
- 2) Receiving shares in consideration of redemption, merger, de-merger, or as compensation in accordance with a public tender offer, or in another comparable manner;
- 3) Receiving shares as dividends (bonus shares), or another form of payout from retained earnings;
- 4) Receiving shares as compensation for work or other performance or service;
- 5) Receiving shares as inheritance under a will, as a present or as a result of partition of an estate, or by means of similar acquisition.

It should be noted that the prohibition against the abuse of inside information shall also be valid when deviating from trading restrictions.

12. Management and Supervision of Key Persons

12.1 ABG shall organize regular supervision of the trading and has the duty to notify its Key Persons.



12.2 The CBB shall supervise the prohibition on abuse of inside information and the statutory duty to declare. Any violations of the disclosure standards and the guidelines for Key Persons shall be reported immediately to the CBB.

12.3 Key Persons Register data shall be verified at least once a year before the Annual General Meeting (AGM) by the internal auditor of ABG. The result of such verification shall be forwarded to the CBB at least 15 days before the date of the AGM.

12.4 Notification to BB on Register of Key Persons:

ABG shall submit an updated and complete Register of Key Persons to the BB as soon as practicable but not more than 10 calendar days after the following:

1. the start of trading when it is first listed on BB.
2. The conclusion of its Annual General Meeting; and
3. Upon request by BB.

12.5 The Committee

- 1) ABG management shall form a Committee to manage Key Persons and insider's holdings, trading and related issues.
- 2) The number of members in the Committee should not be less than three.
- 3) The Committee shall appoint a person in-charge of the Key Persons' Register issues responsible for managing the day-to-day business of the Committee, who might be a non-member of the Committee. In this case, such person should be treated as a Key Person. However, the authority to give approval for permitting trading by Key Persons shall be vested with the Committee.
- 4) The names, title, and contact details of the Committee members and the person in charge should be forwarded to the CBB on the regular reporting.
- 5) The committee should be reporting to the Compliance & Governance Committee of the Board on regular basis.

12.6 Responsibilities of the Committee

- 1) Compliance with these Guidelines on Insiders, the prohibition against the abuse of inside information and the disclosure requirements concerning insiders shall be supervised by the Committee. The day-to-day monitoring shall be the responsibility of the person in charge and shall report to the Committee any violation of such requirement.
- 2) Shares transactions by insiders subject to the permission procedure shall be supervised on a proactive basis. This is done by ensuring, prior to any transaction, that there is no impediment to shares' trading or other share's transaction. Share's transaction by Key Person entered in the Key Persons' Register shall primarily be supervised retroactively reconciling all shares transactions based on the data entered in the CDS system against the declarations of insider holdings.
- 3) ABG shall notify the person in charge of insider issues when an individual's employment or service contract commences and expires.
- 4) ABG shall be responsible for providing new insiders with these Guidelines, and for providing them with training and instructions.

12.7 Tasks of the Committee

The Committee and the person in charge are responsible of the following tasks:



1) Training and informing

- a) The Committee shall ensure that the permanent insiders are fully aware of the restrictions and their obligations to its guidelines on Key Persons and that they recognize their position and the effects of their positions.
- b) When a new Key Person position is accepted, as well as when amendments take place in the provisions on Key Persons in the laws or in provisions issued by the CBB, or ABG itself, the Committee is required to disseminate such changes and train the insiders accordingly.

2) Maintenance of Key Persons' Register and declaration;

- a) Receipt, examination and forwarding of declarations and trading of the permanent Key Persons of ABG to the CBB and BB,
- b) The drawing up and maintenance of the Key Persons' Register.

3) Supervision of the Key Persons' transactions:

- a) **Prior Approval**
Any Key Person must notify the Committee and obtain its written approval, prior to the submission of any order to a licensed broker to buy or sell ABG shares if the order size or Key Person position equal to 0.5% of total issuance (issued capital), if not he must comply with the regulations in this regards and notify the committee not later than the next working day.
- b) **Validity of Approval**
The Committee's approval shall be valid for not more than 20 calendar days from the date of approval. After this time, the approval is no longer valid and new approval will be required.
- c) **Withdrawal of Approval**
The Committee shall have the authority to withdraw or cancel the approval to any Key Person by a notice in writing, if during the validity of approval there is any new development that may affect ABG shares price.
- d) **Refusal of Application**
The Committee shall refuse to grant approval on any application, the execution of which is likely or most likely:
 - To result in a breach of any of the provisions of rules, regulations or circulars, whether in a specific or general nature issued by the CBB regarding the insiders' holding or trading.
 - To abuse inside information.
 - To be in conflict of interest between the applicant and ABG interest.
 - To protect the interests of ABG and its shareholders as seen necessary by the Board or the Committee.



12.8 Acknowledgment requirement

The Committee should inform the applicant of its decision within a maximum period of 2 business days, and a copy of such acknowledgement should also be kept in the ' Register.

12.9 Reporting to the CBB's CMSD

- 1) The Committee shall prepare a monthly statement in the standard format prescribed by the CMSD, recording all Key Persons' transactions, including any movement of ownership. The information of such statement should be only extracted from the Key Persons' Register.
- 2) If the verification process indicates any discrepancies or differences between the Key Persons' Register information and information obtained from the CDS, or any other concerned source of information should be reported to the CMSD separately.
- 3) The abovementioned monthly statement should be audited by the internal auditor before submitting such statements to CMSD
- 4) In any case, the monthly statement should be submitted to the CMSD no later than 15 calendar days from the end of each month. SUCH statement should be forwarded to the CMSD by person in charge of key person or compliance officer in accordance with the CBB circular NO.ODG/407/03.

12.10 Insider Trading and material information Temporarily Withheld

Immediate public disclosure of the information in question must be affected if ABG should learn that insider trading has taken or is taking place. In Unusual cases, where the trading is insignificant and did not have any Influence on the market, and measure sufficient to halt the insider trading and prevent its recurrence has already been taken, exception could be made which should be discussed with the CBB. The CBB can provide current information regarding market activity in ABG's shares with which to help assess the significance of trading.

13. Violations and Penalties

13.1 The person who is in possession of Inside Information as a Key Person or insider may not:

13.1.1 Deal in any securities to which that information relates; or

13.1.2 Encourage another person to deal in any securities to which that information relates; or

13.1.3 Disclose that information, otherwise than in the proper performance of the functions of his employment, office or profession, to any other person.

13.2 Without prejudice to any laws or regulations applicable in the Kingdom of Bahrain, the CBB reserves the following rights regarding non-compliant person (s):



13.2.1 Call the Arbitration Board, formed in accordance with Article 13 of the BB law, for a meeting to decide on such non-compliant transactions.

13.2.2 if the CBB or the Arbitration Board, as the case may be, comes to the finding that the transactions is non-compliant and that the person profited or avoided a loss through unlawful trading, the transaction is liable to be cancelled and the profit or loss (whether realized or not) would be recovered, in addition to bearing the costs, fees, and charges incurred from such persons.

11.2.3 According to Article 361 (h) of the Commercial Companies Law, such persons shall be subject to “imprisonment and a fine not less than BD5,000 and not exceeding BD10,000 or either of these two penalties”.

13.3 Abuse of Inside Information

13.3.1 Abuse of inside information

Anyone who in order to gain material benefit for himself or for any other willfully or through gross negligence makes use of inside information relating to a share subject to public trade by:

- i. Disposing of or acquiring the share on his own behalf or on behalf of another, or
- ii. Directly or indirectly advising another party in a transaction relating to the share; shall be sentenced for abuse of inside information as stated above in 14.2.3.

13.3.2 Gross Abuse of inside information

All attempts of the willful abuse of inside information shall be punishable if:

- a. The purpose is to acquire exceptional profit or considerable personal gain;
- b. The offender, when committing the offence, makes use of his highly responsible position or direct access to the inside information as an employee or representative of the Agency, the Exchange, the Clearing, Settlement and Central Depository or Registry facilities, a clearing house, brokerage firm, or if
- c. The offence is committed with exceptional deliberateness and if the abuse of inside information is also deemed gross when assessed as a whole, the offender shall be sentenced for gross abuse of inside information to the penalty stated in Article 361 of the Commercial Companies Law and other penalties stated in the other related applicable laws, as the case may be.

14. Availability of the Policy:

This Policy shall be published on ABG website: www.albaraka.com to be available for the public after obtaining BOD approval on the final version