

Guidelines on Issuers' Key Persons Dealing in Securities Accepted for Trading on the Bahrain Stock Exchange

4 November 2010

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1 Introduction

Dealing in the securities of a listed company while in possession of inside information is illegal according to; Chapter 1 of Part 5 particularly Article 100 of the Central Bank of Bahrain (CBB) Law in addition to the CBB's volume (6) "Market Abuse & Manipulation" which prohibits such abuse of inside information.

As an added layer of security and transparency however, the Exchange requires each Issuer to issue, maintain and enforce a Key Person Dealing Policy regarding dealing in shares and other securities of the Issuer by members of its Board of Directors, senior management and such other persons as decided by the Issuer's board to have access to inside information relating to the Issuer from time to time.

The Issuer's adopted Key Person Dealing Policy shall comply with the requirements stated herewith. The issuer may also add any other requirements to its policy if it deems fit.

This introduction and the forms attached to the policy are considered an integral part of the policy.

2 Definitions

The following words and expressions shall have the meaning assigned to them:

"Exchange" Bahrain Stock Exchange.

"Issuer" any issuer's securities' accepted for trading in the Exchange.

"Dealing", where referred to in these Guidelines, includes (whether as principal or agent) making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into an any agreement for or with a view to acquiring, disposing of, subscribing for, or underwriting securities of the issuer. To be clear, dealing includes (but is not limited to) on-Exchange and off-Exchange transactions, including subscriptions of securities of the Issuer, as well as transactions relating to securities of the Exchange -listed Issuer that are quoted on another Exchange.

"Dealing Policy" shall refer to each Issuer's Key Person Dealing Policy

adopted pursuant to this directive/ruling/regulation.

"Guidelines" shall refer to the Exchange Guidelines on Issuers' Key Person Dealing Policies

"Inside Information", as defined in MAM B.2.10, means information that;

- (a) Is precise in nature relating directly or indirectly to one or more of the securities of the issuer thereof;
- (b) Has not been made public;
- (c) If made public, is likely to have a significant impact on the price of those securities or their derivatives;

"Key Persons" of an Issuer refers to members of the Issuer's Board of Directors, senior management, the Issuer itself, and such other persons as decided by the Issuer's board to have access to inside information relating to the Issuer from time to time. While key persons may have access to inside information from time to time by nature of their duties performed, they do not necessarily always possess inside information. This fact distinguishes key persons from insiders. Dealing by key persons of an Issuer, therefore, does not necessarily constitute insider trading.

"Register of Key Persons" refers to a register maintained by the Issuer which includes basic personal data of Key Persons and information on their holdings and dealings in the Issuer. The Register of Key Persons is maintained at the Issuer's headquarters and updated by the Compliance Officer, Company Secretary or other authorized representative of the Issuer. Paragraph 3.3 elaborates on the Insiders' Register.

3 Dealing policy

3.1 Dealing and using of Inside Information

Any person who is in possession of inside information shall not use such information to:

- (a) Deal in any securities to which that information relates;
- (b) Encourage any person to deal in any securities to which that information relates;
- (C) Disclose inside information to any other person, otherwise than in the proper performance of the functions of his employment, office or profession;

(d) Violate the rules governing the publishing of market information;

3.2 Notifications of dealing

1. Provided he/she is not in possession of inside information, Key Persons may deal in securities of the Issuer.
2. Key Persons are required to advise the Issuer for its records on details of the dealing by the end of the next business day following the completion of the dealing; the Issuer shall immediately file with the Exchange such notifications by Key Persons by using Form KP2.
3. The Exchange reserves the right to disseminate to the public, the dealing information as per the rules and regulation issued by the CBB.

3.3 Maintenance of a Register of Key Persons

The Issuer shall at all times maintain an updated Register of Key Persons containing the following:-

- (1) basic personal data of Key Persons of the Issuer;
- (2) Key Persons holdings and interests in the Issuer; and
- (3) details regarding dealings by Key Persons in securities of the Issuer.

The Issuer shall notify any person of his status as a Key Person of the Issuer upon his appointment, election or employment in the Issuer, and procure a declaration of information as required.

3.4 Notifications to the Exchange on Register of Key Persons

The Issuer shall submit an updated and complete Register of Key Persons to the Exchange 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 the Exchange;
- (2) the conclusion of its Annual General Meeting; and
- (3) upon request by the Exchange.

The Issuer shall further notify the Exchange of any changes to its Register of Key Persons within 10 calendar days of such change. **Form KP1** should be

used for initial filings of the Register of Key Persons with the Exchange, and **Form KP2** should be used for filings of changes to the Register of Key Persons.

4 Availability of Dealing Policy

The Issuer shall provide a copy of the Dealing Policy to its Key Persons and make its Dealing Policy publicly available on its website.

5 Violations and penalties

Any conduct by relevant parties that contravenes the provisions of an Issuer's Dealing Policy must be dealt with severely. The courses of action and penalties that an Issuer may impose and related procedures enforcing such penalties should be clearly stated in the Dealing Policy.

The Issuer shall further include in its Dealing Policy a statement providing that any violation of the Dealing Policy by Key Persons employed by or under contract with the Issuer including directors, employees, consultants or contractors, may result in action being taken to terminate their service with the Issuer.

Without prejudice to the foregoing penalties prescribed in the CBB and the Exchange law, rules and regulation.

Key Person Application Forms

Type of Application Forms:

1. Register of Key Person Form (KP1)
 - Company's Authorized Representative Information (Part 1)
 - Particulars & Holdings of Key Persons (Part 2)
 - Summary of particulars & holdings of Key Persons Register (Part 3)
2. Changes to particulars and holdings of Key Persons Form (KP2)

Forms' Filling Instructions:

1. All Forms attached to this guidelines must be completed by a duly authorized officer of the Issuer, typically the Compliance Officer, Company Secretary or other authorized representative of the Company, and submitted to the Exchange both in physical form and electronically to Insiders.register@bahrainstock.com (in Excel Format).
2. **Form KP1 (Part 1)** "Company'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 the Issuer is first listed on the Exchange.
 - upon the conclusion of the Issuer's Annual General Meeting.
 - upon the Exchange's request.
3. **Form KP1 (Part2)** "Particulars & Holdings of Key Persons" Key Persons of an issuer refers to members of the Issuer's Board of Directors, senior management, the Issuer itself, and such other persons as decided by the Issuer's board to have access to inside information relating to the Issuer from time to time. 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.
4. **Form KP1 (Part 3)** should be completed for the purpose of Summary of particulars & holdings of Key Persons Register.
5. **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.

استمارة سجل الأشخاص الرئيسيين (KP1)
Form Register of Key Persons (KP1)

بيانات الشخص المخول بالتوقيع عن الجهة الصادرة (الجزء الأول)

اسم الجهة الصادرة			
مقدم من قبل			
الاسم			
الاسم الوظيفي			
ختم الجهة الصادرة			
التوقيع			
تاريخ التقديم			
اليوم	الشهر	السنة	Year
Day	Month	Year	

استمارة سجل الأشخاص الرئيسيين (KP1)
Form Register of Key Persons (KP1)

مفردات وملكيات الأشخاص الرئيسيين¹ - (الجزء الثاني)

مفردات وملكيات الأشخاص الرئيسيين¹ - (Part 2)

المفردات / Particulars					
Name الاسم	Designation الاسم الوظيفي	ID Number رقم الهوية			
Nationality الجنسية	Date of appointment تاريخ التعيين	Passport Number رقم الجواز			
الملكيات / Holdings					
Security type نوع الورقة المالية	Number of securities عدد الأوراق المالية		Percentage of Holding (%) نسبة للكمية (%) ^(*)		
	Direct مباشرة	Indirect غير مباشرة	Direct مباشرة	Indirect غير مباشرة	Indirect غير مباشرة
Shares أسهم					
Options خيارات					
Rights حقوق					
Warrants ورانتس					
Others أخرى					
Total الجموع					

الختم والتوقيع
Stamp & Signature:
 Company's Authorized Representative
 الخول بالتوقيع عن الشركة

يرجى تعبئة هذه الاستمارة لكل شخص رئيسي على حدة¹

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**استمارة سجل الأشخاص الرئيسيين (KP1)
Form Register of Key Persons (KP1)**

ملخص سجل مفردات ملكيات الأشخاص الرئيسيين² - (الجزء الثالث) (Part 3) - Summary of particulars & holdings of Key Persons Register²

Key Person الشخص الرئيسي	Designation السمي الوظيفي	Nationality الجنسية	ID / Passport number رقم الهوية/ الجواز	Person under guardianship / Control of Key Person الأشخاص ذات العلاقة بالشخص الرئيسي		Security type (shares/options/ rights /warrants /others) نوع الورقة المالية (أسهم/ خيارات/ حقوق/ وارننيس /اخرى)	Total holdings مجموع للكتيات
				ID/CR رقم الهوية / السجل التجاري	Name الاسم		

تم تعبئة هذه الاستمارة من قبل الشخص المخول بالتوقيع عن الجهة المصدرة²

**الختم والتوقيع
Stamp & Signature:** _____
Company's Authorized Representative
للخول بالتوقيع عن الشركة

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تحديث سجل تعاملات الأشخاص الرئيسيين
Changes to particulars and holdings of Key Persons

Form KP2

استمارة KP2

Particulars / الأفراد						
Name الاسم	Designation المسمى الوظيفي	ID Number رقم الهوية			Passport Number رقم الجواز	
Issuer's Name: اسم الجهة المصدرة	Nationality الجنسية	Date of appointment تاريخ التعيين				
تحديث للاكليات/holdings						
Security type نوع الورقة المالية	Number of securities held before changes عدد الأوراق المالية المملوكة قبل التحديث	Date التاريخ	Number of securities acquired / Disposed or off market عدد الأوراق المالية المشتراة / المباعة أو الحالات المستثناة	Direct / Indirect مباشرة / غير مباشرة	Number of securities held after changes عدد الأوراق المالية المملوكة بعد التحديث	Percentage of issued share capital (%) نسبة الاكليات من رأس المال (%)
Shares أسهم						
Options خيارات						
Rights حقوق						
Warrants ورانتس						
Others أخرى						
Total المجموع						

يرجى تعبئة هذه الاستمارة لكل شخص رئيسي

الختم والتوقيع
Stamp & Signature:
المخول بالتوقيع عن الشركة
Company's Authorized Representative

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