


POLICY TITLE:	Key Persons Dealing In Securities Corporate Policy	
BUSINESS OWNER:	Batelco Group – Compliance and Risk Management	
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1. POLICY STATEMENT:

As part of its policy to maintain a fair, orderly and transparent securities market, the Bahrain Bourse vide circular MA/208/2010 dated 6th of December 2010 and Central Bank of Bahrain (CBB), vide circular reference CMSL/L038/2011 dated 6th Feb. 2011, informed Batelco to implement and comply with the stipulation of “Key Persons’ Dealing Policy” which regulates the trading of securities by members of the Board of Directors, Management staff and others persons, hereinafter defined and referred to as “Key Persons or KPs”. The KP Trading Policy replaces the earlier Insider Trading Policy issued and implemented at Batelco according to CBB’s –formerly known as BMA- stipulation of “Guidelines on Insiders” vide circular reference ODG/282/2004 dated 7th October 2004. This policy is also subject to the stipulations of CBB’s Rulebook 6 MAM (Prohibition of Market Abuse and Manipulation).

2. POLICY OBJECTIVES:


The guidelines set forth below are introduced to ensure that Key Persons are aware of the legal and administrative requirement regarding the holding and trading of Batelco securities, with the primary objectives of preventing abuse of inside information.

3. DEFINITIONS:

3.1. **Issuer:** Issuer shall mean Batelco.

3.2. **Directors:** Includes any person who occupies the position of a director or a member of Board of Directors, by whatever name called.

3.3. **Executive Management:** The executive management includes positions of Group Chief Executive, General Managers, Senior Manager or their equivalent & direct reportees to the Chief Executive. In addition it will include the Chief Internal Auditor and the Board Secretary.

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3.4. Connected person- in relation to:

- (a) 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
- (b) A firm or company in which the individual or any of the persons mentioned in sub-paragraph (a) has control of not less than 10% of the voting power in the firm or company, whether such control is exercised individually or jointly; Connected persons in relation to a firm or company means another firm or company in which the first-mentioned firm or company has control of not less than 10% of the voting power in that other firm or company.


3.5. Inside Information: means information that;

- (a) Is precise in nature relating directly or indirectly to one or more of the securities or 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;
- (d) Is, directly or indirectly, related to derivatives of commodities which the traders expect to be disclosed according to the market regulations.


3.6. Market Information: Means any published information about trading or non-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.

3.7. 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;

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- (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.
- 3.8. **Key Persons (KP):** Members of the Board of Directors, Senior Management, the Issuer itself and such other persons as decided by the Board of Directors.
- 3.9. **Insiders:** Means any person who has obtained inside information;
- (a) By virtue of his employment or profession;
 - (b) Being an officer or shareholder of the issuer of the securities; or
 - (c) Through illegal means.
- 3.10. **Executive Committee:** A committee of Board of Directors consisting of minimum three members and in addition to its duties as Executive Committee, having responsibility for:
- (a) reviewing and monitoring the Key Persons’ Dealing Policies including any periodical changes made to it and receiving and reviewing the reports of trading done by KPs;
 - (b) ensuring compliance with Batelco Key Persons Dealings policies.
- 3.11. **Person-in-Charge:** Means a person appointed by the Executive Committee to monitor the day to day matters relating to this policy. The Person-in-Charge at Batelco is Manager Compliance and Risk Management.
- 3.12. **KP Register:** Means the register maintained by the ‘Person in Charge’ in accordance with above mentioned Bahrain Bourse circular ref. MA/208/2010 dated 6th of December 2010. “Register of KPs” includes basic personal data of

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KPs and information on their holdings and dealings. The Register of KPs is maintained at Batelco headquarters and updated by the Person-In-Charge.

4. NOTIFICATIONS TO THE KEY PERSONS:

The KP shall be notified of his status as soon as he/she becomes a KP and shall be given a copy of this policy.

5. NOTIFICATIONS OF DEALING:

Unless prior approval from the Executive Committee will be required as elaborated under 6.0 below, Key Persons are required to notify the Person-in-Charge on details of the dealing by the end of the next business day following the completion of the dealing for trading Batelco securities listed on Bahrain Bourse.

The Person-In-Charge shall immediately file with the Bahrain Bourse such notifications by KPs. Bahrain Bourse reserves the right to disseminate to the public the information contained in the filings.


6. RESTRICTIONS ON DEALING BY PERMANENT INSIDERS:

Permanent insiders must refrain from trading and wait until the commencement of 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. MONITORING:

7.1. The Executive Committee shall:

- (a) Review and monitor the KPs Dealing Policy including any periodical changes made to it.
- (b) Ensure compliance with Batelco KPs Dealings policy.

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8. INTERNAL MONITORING:

For internal administration purposes, the Person-in-Charge shall monitor activities relating to the staff identified as KPs. Manager Compliance and Risk Management shall continue to be the overall liaison person for KPs Trading.

9. KEY PERSON FORMS:

Key Person forms (KP-1, KP-2 and KP-3) shall be completed and submitted by the person-in-charge to the Bahrain Bourse.

10. MAINTENANCE OF REGISTER OF KEY PERSONS:

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

- (a) basic personal data of KPs of the Issuer;
- (b) Key Persons holdings and interests in the Issuer; and details regarding dealings by Key Persons in securities of the Issuer.


The information provided in the forms shall be subject to verification by the Company's internal auditors, external auditors, Bahrain Bourse ("BB"), Clearing House, Central Depository System, Registrar, and other regulatory bodies as required under the regulations in Bahrain.

The legal aspects of the implementation of these guidelines shall be reviewed at least once a year by the Company's legal department

11. REPORTING:

11.1. The Person-in-Charge shall submit to the Bahrain Bourse any changes to its Register of Key Persons within 10 calendar days of such change. Form KP1 shall be used for initial filings of the Register of Key Persons with Bahrain Bourse, and Form KP2 shall be used for filings of changes to the Register of Key Persons.

11.2. The Register data shall be verified at least once a year before the Annual General Meeting by the internal auditor of the company. The result of such

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verification shall be forwarded to the CBB not more than 10 days after the date of the company's AGM

12. DISCLOSURE:


- 12.1. The approved policy shall be posted on Batelco web site.
- 12.2. A copy of the approved policy will be made available to all KPs. A copy will also be available on request to all shareholders and other interested parties.
- 12.3. The annual report shall contain a statement on the KP policy and also details of interest of directors in the shares of Batelco.

13. NON-COMPLIANCE:

Any instances of breach of compliance by KPs with Batelco procedures will be dealt with by the 'Executive Committee' and sever penalties including termination will be enforced on the violating KP. The Executive Committee shall recommend the course of action to the Board for its consideration.

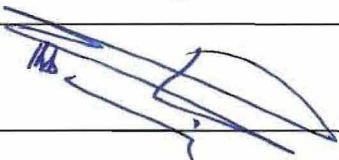
14. MISCONDUCT BY KEY PERSONS AND DISCIPLINARY ACTIONS:

- 14.1. The disciplinary actions imposed on the staff who are considered KPs shall be according to Batelco approved disciplinary code.
- 14.2. For all other KPs the Executive Committee shall submit recommendations to the Board of Directors about the disciplinary action for disclosing and/or abusing inside information. The Board shall take final decision on the same.
- 14.3. Any disciplinary action under 14.1 and 14.2 above shall be according to the provisions of the Labour Law of the Kingdom of Bahrain (concerning staff only) and CBB and Bahrain Bourse Guidelines.

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14.4. Batelco shall have the right to take the KP who has carried out the misconduct of disclosing and/or abusing the inside information relating to the bank to the court for damages according to the nature and extent of damage.

15. DOCUMENT APPROVAL:

Approved by:	Signature	Date
Mr. Ihab Hinnawi Group CEO		2 Nov 2016

16. DOCUMENT HISTORY:

Version	Date	Prepared/Revised By	Description
1	26/04/2012	Manager Compliance & Risk Management	First Release
2	09/10/2013	Manager Compliance & Risk Management	Change of Policy Owner
3	29/10/2014	Manager Compliance & Risk Management	Change of Key Person Definition
4	23/08/2016	Manager Compliance & Risk Management	Change of Policy Approver

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