

BAHRAIN ISLAMIC BANK B.S.C.

Key Persons Trading Policy

بنك البحرين الإسلامي



**KEY PERSONS TRADING POLICY**

|             |                   |               |          |             |         |
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**1. INTRODUCTION****1.1 Nature and Purpose of the Policy**

The purpose of the Key Persons Trading Policy (“the Policy”) is to establish the notification, authorization and record keeping requirements for trading by members of Board of Directors (BoD) and senior management in Bahrain Islamic Bank B.S.C. (“BIsB” or “the Bank”).

**1.2 Review and Approval**

The BoD has approved this Policy. Extracts from the minutes of the meeting of the BoD at which this Policy was approved can be obtained from the Secretary to the BoD.

The Policy shall be reviewed at least once a year by the Human Resources & Compliance Department to ensure that it is in line with the Bank’s current practices and Central Bank of Bahrain (CBB) and Bahrain Bourse (BHB) guidelines.

Any significant modifications arising out of the review will be forwarded to the Internal Audit, which will decide whether a modification to the Policy is needed.

All changes / revisions to the policy will be approved in writing by the Internal Audit.

Revised contents and index pages will be immediately issued by the Internal Audit with a request that policy holder check their copy of the Policy for completeness and destroy the pages being replaced.

**1.3 Objectives of the Policy**

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

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**1.4 Non-Compliance Situations**

Any instances of non-compliance by Key Persons with this Policy will be dealt with by the Audit Committee as it deems fit. The BoD will be advised of such instances including the action initiated by the Audit Committee.

Key Persons employed by or under contract with Bahrain Islamic Bank, including directors, employees, consultants or contractors, may also be subject to "clause 28" of the bank's List of Offences and Penalties, which includes actions leading to termination of employment.

**1.5 Definitions**

**Inside Information** - Means information that:

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

**Key Persons Trading** - Key Persons 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 a Key Persons whenever he/she has any beneficial interest, direct or indirect, in such securities or options, regardless of whether they are actually held in his name. Included in the concept of Key Persons trading is "tipping", or revealing inside information to outside individuals, to enable such individuals to trade in the issuer's securities on the basis of undisclosed information.

**Key Persons** - Members of the Bank's BoD, senior management, the Bank itself, and such other persons as decided by the Bank's BoD to have access to inside information relating to the Bank

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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 the Bank, therefore, does not necessarily constitute insider trading.

**Connected Persons - Means:**

- 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 a corporation in which the individual or any of the persons mentioned in a) above has control of not less than 10% of the voting power in the firm or corporation, whether such control is exercised individually or jointly.

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.

**Person in charge** - A person appointed by the Bank for managing the day-to-day business of the Key Persons Register. The Bank has designated (Designation to be provided by the Management) as the person in charge.

**Share** - Means a share in the paid-up share capital of a corporation and includes stock, except where a distinction between stock and shares is expressed or implied.

**Directors and senior management** - This term includes:

- ▶ the Bank's Board of Directors;
- ▶ senior management: Chief Executive Officers, Presidents, Heads of Finance, Heads of Business Departments;
- ▶ managers; and
- ▶ nominees to serve in any of the aforementioned positions.

**Market Information** - Means information consisting of one or more of the following facts:

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- ▶ the securities of a particular kind have been or are to be acquired or disposed of, or that their acquisition or disposal is under consideration or the subject of negotiation;
- ▶ the securities of a particular kind have not been or are not to be acquired or disposed of;
- ▶ the number of securities acquired or disposed of or to be acquired or disposed of or whose acquisition or disposal is under consideration or the subject of negotiation;
- ▶ the price (or range of prices) at which securities have been or are to be acquired or disposed of or the price (or range of prices) at which the securities whose acquisition or disposal is under consideration or the subject of negotiation may be acquired or disposed of; and
- ▶ the identity of the persons involved or likely to be involved in any capacity in an acquisition or disposal of a security.

**2. KEY PERSONS**

The Key Persons covered by this Policy are of two categories:

**A. Permanent Key Persons:**

Permanent Key Persons are of following two types:

**Statutory Key Persons** which includes members of the BoD, Bank's external auditor and employees of the external auditing firm and connected persons of the aforementioned Key Persons. Where an individual is represented on the BoD of the Bank as a nominee of a Bank, in such a case the nominee as well as the Bank shall be deemed to be a Key Persons.

**Key Persons by Definition** The individuals that have been determined as Key Persons for BIsB are listed in Appendix 6 to this policy (List of Key Persons to be provided by the Management).

**B. Temporary Key Persons:**

The Bank shall evaluate and determine such Key Persons on case-to-case basis. In broad definition temporary Key Persons would include employees of vendors, suppliers, printers and contractors who may have access to inside information by virtue of their assignment.

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**3. MONITORING OF KEY PERSONS**

The Bank shall ensure compliance with the Guidelines on Key Persons, the prohibition of the abuse of inside information and the disclosure requirements concerning Key Persons at all times.

Securities transactions by Key Persons will be subject to the permission procedures and shall be supervised on a proactive basis by ensuring, prior to any transaction, that there is no impediment to securities trading or other securities transactions.

Securities transactions by Key Persons will be entered in the Key Persons' Register by the person in charge and shall primarily be supervised retroactively through the reconciliation of all securities transactions, on the basis of the data entered in the Central Depository System (CDS) against the declarations of Key Persons holdings.

**3.1 Supervision of the Key Persons' Transactions**

Supervision of Key Persons' transactions will be performed through the following process:

Key Persons are required to advise the person in charge for his/her records on details of the dealing by the end of next business day following the completion of the dealing.

**3.2 Training and Informing**

The management shall ensure that the Key Persons, in particular permanent Key Persons, are fully aware of the restrictions and their obligations to its guidelines on Key Persons and that they recognize their position and the effects thereof.

When a new Key Persons 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, Bahrain Bourse or the Bank itself, the management is required to disseminate such changes and train the Key Persons accordingly.

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### 3.3 Notification of Dealing

Key Persons are required to advise the management for its record on details of the dealing he/she made by end of the next business day following the completion of the dealing; the management shall immediately file with Bahrain Bourse such notification by Key Person by using Form KP2 (Appendix 2).

## 4. DECLARATIONS OF KEY PERSONS

Declaration forms are attached as Appendices. The Appendices contain detailed instructions to complete them. All these forms are to be submitted to the person-in-charge.

Appendix 1 - Form KP-1 will be issued to the identified Key Persons by person-in-charge or HRD as the case may be. Key Persons is supposed to sign and return the duly filled in form to the person-in-charge.

A Key Person is responsible to complete and submit following forms within 10 business days, on being notified as a Key Person, to the person-in-charge.

Appendix 2 - Form KP-2 must filled by the Key Persons to update any changes occurred to the a) basic personal data of the Key Persons, b) Key Persons holdings and interests, c) details regarding dealing by the Key Persons in the securities of BIsB.

► Appendix 3 - Declarations of Key Person's Beneficial Ownership.

In Appendix 3 section 4, the Key Persons should list his ownership in any company whether it is a listed company/Bahraini company or not if such ownership exceeds 10% of such company's capital.

These forms must be submitted by no later than end of the next business day following the date the change took place.

## 5. REPORTING

The Bank shall create a separate register called the "Key Persons' Register", which shall be maintained at its headquarters in Bahrain. The Key Persons' Register shall be made available for

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investigation and inspection to the CBB at all times. The Key Persons' Register shall be maintained and kept by the Bank for a minimum period of 5 years.

The information entered in the Key Persons' Register should also be entered into the Bahrain Bourse's Central Depository System, as per CBB instructions.

**5.1 Monthly Reporting**

The monthly reporting will include a monthly statement in prescribed format, recording all Key Persons' transactions, including any orders to buy or sell whether executed or not. The information of such statement should be based on Key Persons Register maintained for the purpose.

**5.2 Annual Reporting**

Key Persons' Register data shall be reported to Bahrain Bourse within a period not more than 10 calendar days after the following:

- ▶ The conclusion of BIsB's Annual General Meeting; and
- ▶ Upon request by Bahrain Bourse.

**6. DISCLOSURE**

The approved procedure may be posted on the Bank's web site.

A copy of the approved policy will be made available to all Key Persons. A copy will also be available on request to all shareholders and other interested parties.

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## 7. APPENDICES

### 7.1 Appendix 1 - Form KP-1 Register of Key Persons

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

#### Particulars & holdings of Key Persons<sup>1</sup> - (Part 2)

مفردات وملكيات الأشخاص الرئيسيين<sup>1</sup> - (الجزء الثاني)

| Particulars / المفردات                    |   |   |   |                        |  |
|---|---|---|---|------------------------|--|
| Name<br>ID Number<br>الاسم<br>رقم الهوية  |   | Designation<br>المسمى<br>الوظيفي                      |   |                        |  |
| Nationality<br>Passport Number<br>الجنسية |   | Date of appointment<br>التعيين<br>تاريخ<br>رقم الجواز |   |                        |  |
| Holdings/الملكيات                         |   |   |   |                        |  |
| Security type<br>نوع الورقة المالية       | Number of securities<br>عدد الأوراق المالية |   | Percentage of Holding (%)<br>نسبة الملكية (%) |                        |  |
|   | Direct<br>مباشرة                            | Indirect<br>غير مباشرة                                | Direct<br>مباشرة                              | Indirect<br>غير مباشرة |  |
| Shares<br>أسهم                            |   |   |   |                        |  |
| Options<br>خيارات                         |   |   |   |                        |  |
| Rights<br>حقوق                            |   |   |   |                        |  |
| Warrants<br>ورانتس                        |   |   |   |                        |  |

|                             |            |        |          |      |          |
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7.2 Appendix 2 - Form KP-2 Form for changes in particulars and holdings by Key Persons:

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

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

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**7.3 Appendix 3 - Declaration of Key Persons's Beneficial Ownership \***

**1. COMPANY**

|      |                |
|------|----------------|
| Name | Trading Symbol |
|------|----------------|

**2. PERSON(S) SUBJECT TO THE DISCLOSURE REQUIREMENT**

|  |                 |                        |           |                |  |  |  |  |  |  |  |  |
|--|-----------------|------------------------|-----------|----------------|--|--|--|--|--|--|--|--|
| 1.Name and Address of Reporting Person |                 |                        |           | CPR/<br>IN (1) |  |  |  |  |  |  |  |  |
| (1 <sup>st</sup> Name)                 | (Father's Name) | (3 <sup>rd</sup> Name) | (Surname) |                |  |  |  |  |  |  |  |  |
| (House/Flat)                           | (Building)      | (Road)                 | (Block)   |                |  |  |  |  |  |  |  |  |
| (City)                                 | (State)         |                        |           |                |  |  |  |  |  |  |  |  |

|   |
|---|
| Received by the Board Committee Representative: |
| Name: -----                                     |
| Designation: -----                              |
| Signature: -----                                |
| Date: -----                                     |
| Corporate Stamp:                                |

**3. RELATIONSHIP OF REPORTING PERSON(S) TO THE COMPANY**

|  |   |               |             |        |
|--|---|---------------|-------------|--------|
| <input type="checkbox"/> Director                      | <input type="checkbox"/> 5% Ownership or above        | Starting Date | Ending Date | Reason |
| <input type="checkbox"/> Officer (Give title)<br>----- | <input type="checkbox"/> Other (Specify) (2)<br>----- |               |             |        |

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**4. PERSONS UNDER GUARDIANSHIP AND CONNECTED PERSON**

| Name of securities | Amount of Security | Date of Ownership | % of Ownership | Mode of Ownership<br>Direct (2)<br>/Indirect | Nature of Indirect Ownership<br>(3) |
|--------------------|--------------------|-------------------|----------------|--|-------------------------------------|
|                    |                    |                   |                |  |                                     |
|                    |                    |                   |                |  |                                     |
|                    |                    |                   |                |  |                                     |

Number of Attachments

**5. SIGNATURE**

I hereby officially authorize the Company to verify the information in this form with the Exchange(s), Clearing House, Central Depository System, Registrar, and Investment/ Portfolio Mergers.

-----  
Signature

-----  
Name in block letters

-----  
Date of declaration

**6. TO BE COMPLETED BY THE REGISTRAR**

|                         |                   |                         |                     |
|-------------------------|-------------------|-------------------------|---------------------|
| Name of Registrar ----- | Received by ----- | Date of reception ----- | Signature and Stamp |
|-------------------------|-------------------|-------------------------|---------------------|

\*This form should be completed upon the election, appointment, and employment or whenever any person assumes the responsibility of declaration as insider, and should be updated annually.

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**7.4 Appendix 6 - List of Key Persons**

To be provided by the Management

