



# Insider Trading Policy Manual

Version 2.0

Takaful International Company B.S.C.

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## 1. INSIDER TRADING POLICY

### 1.1 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 CBB Law in addition to the rules under the “Prohibition of Market Abuse & Manipulation Module” of the CBB Rulebook, Volume (6), which prohibits such abuse of inside information.
- This manual is created as an added layer of security and transparency, detailing the insider trading policies regarding dealing in shares and other securities of the Company by members of its Board of Directors, Shari’a Supervisory Board members, senior management and other persons deemed to have access to inside information relating to the Company from time to time (“Insiders”).
- This manual was prepared with reference to the “Guidelines on Issuers’ Key Persons Dealing in Securities Accepted for Trading in Bahrain Bourse” and the “Prohibition of Market Abuse & Manipulation Module” (“MAM Module”) of the CBB Rulebook, Volume 6.

### 1.2 Definitions

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

<b>Dealing<sup>1</sup></b>	Where referred to in this document, dealing 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 Company.
<b>Exchange</b>	Bahrain Bourse.
<b>Inside Information<sup>2</sup></b>	Information that: <ul style="list-style-type: none"><li>a) Is precise in nature relating directly or indirectly to one or more of the securities of the Company thereof;</li><li>b) Has not been made public;</li><li>c) If made public, is likely to have a significant impact on the price of those securities or their derivatives;</li></ul>
<b>Insider<sup>3</sup></b>	Any person who has obtained inside information; <ul style="list-style-type: none"><li>a) By virtue of his employment or profession;</li></ul>

<sup>1</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-B.2.6

<sup>2</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-B.2.10

<sup>3</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-B.2.9

- b) Being an officer or shareholder of the Company; or
- c) Through illegal means.

A person may be an insider if he is already aware that such information is classified as inside information even though none of the above applies to him.

All persons who have access or come into possession of material inside information before its public release are considered insiders. Such persons include controlling shareholders, directors and senior management, officers and employees, and frequently should also include any officials of the CBB 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. Further, insiders include “tippees” who come into possession of material inside information.

**Insider Trading<sup>4</sup>** The purchase or sale of the Company’s equity or debt 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. Included in the concept of “insider trading” is “tipping”, or revealing inside information to outside individuals, to enable such individuals to trade in the Company’s securities on the basis of undisclosed information.

**Key Persons<sup>5</sup>** Members of the Company’s Board of Directors, Shari’a Supervisory Board members, senior management, the Company itself, and such other persons as decided by the Company’s board to have access to inside information relating to the Company 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, therefore, does not necessarily constitute insider trading.

**Register of Insiders** A register maintained by the Company which includes basic personal data of Insiders, including Key Persons, and information on their holdings and dealings in the Company. The Register of Insiders is maintained at the Company’s headquarters and updated by the Compliance Department, Board Secretary or other authorized representative of the Company.

<sup>4</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-B.2.11

<sup>5</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-B.2.17

### **1.3 Dealing Policy**

#### **1.3.1 Dealing and Using Inside Information**

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

- Deal in any securities to which that information relates;
- Encourage any person to deal in any securities to which that information relates;
- Disclose inside information to any other person, otherwise than in the proper performance of the functions of his employment, office or profession;
- Violate the rules governing the publishing of market information;

#### **1.3.2 Notifications of Dealings**

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

#### **1.3.3 Restrictions on trading of Insiders**

- Following the publication of the financial statements of the Company, Permanent Insiders of 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.<sup>6</sup>
- The restrictions on trading must be applied to the Company's Permanent Insiders. A Permanent Insider must also be responsible for compliance with the restriction on trading when the management of the securities of the Permanent Insider has been assigned to another party.<sup>7</sup>

#### **1.3.4 Maintenance of a Register of Insiders**

- The Company shall at all times maintain an updated Register of Insiders containing the following:
  - Basic personal data of Insiders of the Company.
  - Insiders' holdings and interests in the Company; and
  - Details regarding dealings by Insiders in securities of the Company.

<sup>6</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-2.14.2

<sup>7</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-2.14.3

- The register must be maintained at the Company's headquarters in Bahrain and be made available for investigation and inspection to the CBB at all times. The register shall be maintained and kept for a minimum period of 5 years.<sup>8</sup>
- The Company shall notify any person of his status as an Insider of the Company upon his appointment, election or employment in the Company, and procure a declaration of information as required.
- The Insider is required to notify the Company of any changes in the personal data or beneficial ownership in the Company's securities by the end of the next business day following the date the change took place.<sup>9</sup>
- The Company shall organize regular supervision (at least annually) of the Insiders to verify the information declared to the Company and the trading of the Insiders.<sup>10</sup>
- The Company shall appoint an officer of the Company to maintain and manage the register and requirements imposed by MAM Module and Bahrain Bourse's guidelines.<sup>11</sup>

### ***1.3.5 Notifications to the Exchange on Register of Insiders***

- The Company shall submit an updated and complete Register of Insiders to the Exchange as soon as practicable but not more than 10 calendar days after the following:
  - the start of trading when it is first listed on the Exchange;
  - the conclusion of its Annual General Meeting ("AGM"); and
  - Upon request by the Exchange.
- The Company shall further notify the Exchange of any changes to its Register of Insiders within 10 calendar days of such change. Form KP1 should be used for initial filings of the Register of Insiders with the Exchange, and Form KP2 should be used for filings of changes to the Register of insiders.

### ***1.3.6 Annual Verification of Insiders' Register***

- The register data shall be verified at least once a year before the AGM by the internal auditor of the Company. The result of such verification shall be forwarded to the CBB not more than 10 days after the date of the Company's AGM.<sup>12</sup>

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<sup>8</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-2.15.1

<sup>9</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-2.15.2

<sup>10</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-2.15.3

<sup>11</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-2.15.9

<sup>12</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-2.15.6

#### **1.4 Availability of Dealing Policy**

- The Company shall provide a copy of this Manual to its Insiders and make it publicly available on its website.

#### **1.5 Violations and Penalties**

- Any conduct by relevant parties that contravenes the provisions of the Company's Dealing Policy must be dealt with severely.
- The Company shall immediately report to the CBB any violations to the CBB MAM Module or Bahrain Bourse's guidelines<sup>13</sup>.
- The courses of action and penalties that the Company may impose and related procedures enforcing such penalties are as prescribed in the CBB Rulebook, Volume 6, MAM Module.
- Without prejudice to any greater penalty prescribed under the Penal Code or any other law, any person who contravenes any of the provisions of the Dealing Policy shall be liable for the applicable penalties and enforcement actions stipulated under various provisions of the CBB Law including, but not limited to, criminal sanctions, fines, imprisonment, suspension of license, public censure, freezing of accounts, cease and desist order and specific directives.<sup>14</sup>
- Any violation of the Dealing Policy by Insiders employed by or under contract with the Company including directors, employees, consultants or contractors, may result in action being taken to terminate their service with the Company.

<sup>13</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-2.15.5

<sup>14</sup> CBB Rulebook, Volume 6, Prohibition of Market Abuse & Manipulation Module, MAM-5.1.1

## 2. 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 must be completed by a duly authorized officer of the Company, 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@bahrainclear.com](mailto:Insiders.register@bahrainclear.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 Company is first listed on the Exchange.
  - upon the conclusion of the Company's AGM.
  - upon the Exchange's request.
3. **Form KP1 (Part2) "Particulars & Holdings of Key Persons"** Key Persons of the Company refers to members of the Company's Board of Directors, Shari'a Supervisory Board members, senior management, the Company itself, and such other persons as decided by the Company's board to have access to inside information relating to the Company 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 in the particulars or holdings of existing Key Persons.

**Specimen of Key Person Application Forms follow in the next two pages.**



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

Company's Authorized Representative Information (Part 1)

بيانات الشخص الخول بالتوقيع عن الجهة المصدرة (الجزء الأول)

Name of Issuer:		اسم الجهة المصدرة	
Submitted by:		مقدم من قبل	
Name		الاسم	
Designation		السمي الوظيفي	
Issuer's Stamp:		ختم الجهة المصدرة	
Signature		التوقيع	
Date of submission:		تاريخ التقديم	
Day	Month	Year	السنة
			الشهر
			اليوم

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 الاسم		Designation السمي الوظيفي		ID Number رقم الهوية			
Nationality الجنسية		Date of appointment تاريخ التعيين		Passport Number رقم الجواز			
Holdings / الملكييات							
Security type نوع الورقة المالية	Number of securities عدد الأوراق المالية				Percentage of Holding (%) نسبة الملكية (%)		
	Direct مباشرة	Indirect غير مباشرة	Direct مباشرة	Indirect غير مباشرة	Direct مباشرة	Indirect غير مباشرة	Indirect غير مباشرة
Shares أسهم							
Options خيارات							
Rights حقوق							
Warrants ورانس							
Others أخرى							
Total المجموع							

<sup>1</sup> يرجى تعبئة هذه الاستمارة لكل شخص رئيسي على حدة

الختم والتوقيع

Stamp & Signature: \_\_\_\_\_  
Company's Authorized Representative  
الخول بالتوقيع عن الشركة

