



Corporate Policy on  
Dealings by Key Persons

Amended in February 2013

## Corporate Policy on Dealings by Key Persons

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## History of changes

A list of recent changes made to this Module is provided below:

Reference	Date of Introduction/Change	Description
Dealing by Key person	10 December 2010	Introduced in line with the guidelines issued by Bahrain Stock Exchange (BSE)
Insider Trading	11 October 2011	Additional restriction on insider trading as per clause 6.2.b)
Key person's (Insider) register	11 October 2011	Revised format as attached in Annexure IV
SCA/ DFM additional regulation  ( Board advised during the February 2013 meeting)	February 2013	The chairman or any board member or the general manager or any employee of any listed company in the market to get the approval of the market manager for the dealing. All persons referred to are bound to disclose in advance to the market of any dealing in stocks for the parent company or any of its subsidiaries or sister companies if those are listed in the market ( Refer clause 6.3)

## Corporate Policy on Dealings by Key Persons

### 1. Purpose

In order to comply with the regulations of the Bahrain Stock Exchange (BSE) governing dealings by Key Persons and the regulations on Insider Trading issued by the Central Bank of Bahrain , Arab Insurance Group (B.S.C.) (the “Company”) has adopted this 'Corporate Policy on Dealings by Key Persons (the “Policy”) concerning the dealings in Arig's securities.

### 2. Definitions

#### 2.1. Key Persons' Dealing and Insider Trading

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.

#### 2.2. Key Persons

Key Persons are classified into two categories; Key Persons – Permanent Insiders & Key Persons – Temporary Insider as detailed below:

##### 2.2.1. Key Persons - Permanent Insiders

- i. Members of the Board of Directors.
- ii. Members of the General Management :
  - a. Chief Executive Officer
  - b. General Manager Reinsurance
  - c. Deputy General Manager – Finance & Administration
  - d. Assistant General Manager – Reinsurance
  - e. Any other member of the General Management from time to time
- iii. Partners and employees of the external audit firm having main responsibility for the audit of the Company.
- iv. Companies/institutions having representatives on the Board.
- v. The Company itself, with respect to its holdings of treasury shares
- vi. Person maintaining the Key Persons' Register.
- vii. Members of the Senior Management ( In-charge of the departments)

- viii. Staff in key functions (Group Finance, Group Internal Audit, Compliance, Legal, Corporate Communications, department Secretaries) who have the access to “Inside Information”
- ix. Chief Executive Officers of Company’s subsidiaries.
- x. Employees of banks that are contractually required to be notified of key corporate developments.
- xi. Employees of regulatory authorities.
- xii. Partners and employees of the law firms serving as external legal advisor.
- xiii. Partners and employees of actuarial firms used.
- xiv. Employees of rating agency.

#### 2.2.2. Key Persons - Temporary Insiders:

All persons privy to a project where the probable implementation date is confirmed and which once implemented tends to have a material effect on the value of Company’s Securities will be considered as Temporary Insiders. These include:

- a) Employees of printing firms
- b) Employees of public relations advisors/communication agencies used
- c) Employees of consulting firms.
- d) Parties to acquisition or divestment negotiations.
- e) Internal executives or staff not considered ‘insiders by definition’ but involved in projects involving price sensitive information.

‘Connected persons’ of the above Permanent & Temporary Insiders are also considered Insiders.

#### 2.3. Connected Persons

- 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.
- b) a firm or a corporation in which the individual or any of the persons mentioned in subparagraph (i) has control of not less than 10% of the voting power in the firm or corporation, whether such control is exercised individually or jointly.
- c) ‘Tippees’, i.e., any person who receives Price Sensitive Information from any Insider or any person who is aware of or possesses Price Sensitive Information regarding the Company is an Insider for so long as the information is not publicly known.

- d) 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.

#### 2.4. Sub Committee

The Board of Directors (“The Board”) designates a sub-committee comprising the following officers of the Company to determine and define any other “Key Persons” wherever required on a “case to case” basis (in addition to the persons specified under this policy), in accordance with the guidelines/ regulations issued by the Central Bank of Bahrain/Bahrain Stock Exchange from time to time in this regard.

- a) Chief Executive Officer
- b) DGM – Finance & Administration (Compliance Officer)
- c) Head of Internal Audit (on behalf of Audit Committee)

#### 2.5. Securities

The term ‘securities’ includes the Company’s common or ordinary shares, preferred or preference shares, options or warrants to subscribe for equity securities, Global Depositary Receipts (GDR’s) and any securities, other than debt securities, which are convertible into, exercisable or redeemable for equity securities of the Company.

#### 2.6. Dealing

“Dealing” includes ( whether 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 any agreement for or with a view to acquiring, disposing of, subscribing for, or underwriting securities. Dealing includes (but not limited to ) of-Exchange and off-Exchange transactions, including subscription of securities, as well transactions relating securities listed on other Stock Exchanges (Dubai, Kuwait and LSE and any other applicable Stock Exchanges in the future)

#### 2.7. Inside information

‘Inside Information’ is information that:

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

While it is not possible to identify all ‘Inside Information’ the following types of information ordinarily would be considered to be ‘Inside Information’:

- i) Financial performance, including quarterly and year-end results and significant changes in financial performance or liquidity.
- ii) Company projections and strategic plans.
- iii) Potential mergers and acquisitions or the sale of Company assets or subsidiaries.
- iv) Stock splits, public or private securities/debt offerings, or changes in Company dividend policies or amounts.
- v) Significant changes in senior management.
- vi) Actual or threatened major litigation or the resolution of such litigation.

### 3. Dealing Policy

#### 3.1. Prohibited Trading

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

- i) Deal in securities to which that information relates;
- ii) Encourage any person to deal in any securities to which that information relates
- iii) Disclose insider information to any other person, otherwise than in the proper performance of the functions of his employment, officer or profession;
- iv) Violate the rules governing the publishing of market information

#### 3.2. Key Persons Dealing

Key Persons may deal in securities, provided he/she is not possession of insider information, subject to notification or any other requirements of the BSE issued from time to time

#### 3.3. Prohibition against abuse of Inside Information and Confidentiality

All Persons who possess "Inside Information" shall maintain the confidentiality. They shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities.

Following practices should be followed in this regard:

##### 3.3.1. "Need to know" basis

Unpublished "Inside Information" is to be handled on a "need to know" basis, i.e., Inside Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

##### 3.3.2. Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

#### 4. Dealing Procedures

##### 4.1. Key Persons Dealing Procedure

Key Persons, who may deal in securities (provided he/she is not in possession of inside information), are required to compulsorily notify the company for its records, on details of the dealing *by the end of next business day* following the completion of the dealing.

##### 4.2. Disclosure by Key Persons

###### 4.2.1. Initial Disclosure

By virtue of their position in the company and/or upon notification of Key Person position, the Key Persons are required to provide necessary details in **Part 2 of Form No. KP1 (Annexure I)** *immediately* upon becoming a key person. These details are to be provided for Direct as well as Indirect (*for persons under control or guardianship*) holding separately.

###### 4.2.2. Changes or updates

Any subsequent updates in the Key Person *basic information* will need to be reported in **Part 2 of Form No.KP2 (Annexure I)** (*with relevant details of the changes/updates*) *immediately*.

###### 4.2.3. Notification of Dealings

Key persons shall notify the company on any dealings conducted by him/her in **Form No.KP2 (Annexure I)** *by the end of the next business day* following the completion of the dealing

The above disclosure/notifications shall be submitted to the Compliance Officer or any other designated official of the Company within the stipulated time above, in order to file relevant information *immediately* to the BSE. The BSE reserves the right to disseminate to the public the information contained in these filings, as appropriate.

#### 5. Register of Key Persons

- i) The Compliance Officer will be in charge of the Register of Key Persons
- ii) Based on the information provided by the Key Persons in Form KP1 and KP2, the Compliance Officer will record relevant details of Key Persons and maintain the Register in the formats given under **part 3 of KP1 (Annexure II)** and any changes in the basic information or holdings shall be entered in the Insiders' Register accordingly.

- iii) On behalf of the company, the Compliance Officer shall submit an updated and completed Register to the BSE as soon as practicable but not more than 10 calendar days after the following :
  - a) The start of trading when it is first listed (or relisted) on BSE
  - b) The conclusion of Arig's Annual General Meeting
  - c) Upon request by the BSE
- iv) Any changes to the information contained in the Register shall be notified to the BSE within 10 calendar days of such change, using Form KP1 for initial filings and Form KP2 for subsequent changes/dealings
- v) The Register shall be confidential. Entries in the Register shall also indicate the person responsible for such entries.
- vi) The Register shall be made available for investigation and inspection to the BSE/CBB at all times.
- vii) The Register shall be kept for a minimum period of 5 years or as may be advised by the BSE/CBB

## 6. Insider Trading

### Restrictions on Trading by Permanent Insiders

- 6.1. Permanent Insiders must schedule their trading of securities in such a manner that their trading will not undermine confidence in the BSE /DFM
- 6.2. Permanent Insiders are prohibited from trading in Company's securities:
  - a) with the intent to give false impression to other investors and to influence the price of the Company's securities, whether in a direct or indirect manner;
  - b) During the period of 15 days prior to the end of quarterly, half yearly or annual financial period and until the disclosure of the financial of the Company.
  - c) Prior to the announcement of company's financial results. Persons possessing inside information should wait until the commencement of the following day's trading, or for twenty-four hours, whichever is less, after the publication of financial statements in a national medium, before commencing any trade transaction;

### 6.3 Trading in SCA / Dubai Financial Market (DFM) :

The chairman or any board member or the general manager or any employee of Arig has no right to act personally or via any party with any dealing in the stocks of the company in DFM without getting the approval of the market manager for the dealing ( DFM). All persons referred to are bound to disclose in advance to the market of any dealing in stocks for the parent company or any of its subsidiaries or sister companies if those are listed in the market.

## 7. Annual Verification of Key Persons Register

Group Internal Audit Department shall review the Key Persons Register at least once a year before the Annual General Meeting (AGM) and forward the result of such verification to the CBB not more than 10 days after the date of the company's AGM)

## 8. Compliance Committee and Responsibilities

### 8.1. Compliance Committee

The Board of Directors designates the Audit Committee to administer and ensure compliance with all applicable BSE/CBB Regulations and the Corporate Policy on Dealings by Key Persons & Insider Trading. The Compliance Officer will be in charge of Register of Key Persons as well as Register of Insiders and for liaising with and rendering administration support to the Audit Committee with regard to the exercise of its responsibilities for Key Persons dealing and Insider Trading.

### 8.2. Responsibilities

The responsibilities of the Audit Committee under this policy will include the following:

- i) The Committee shall ensure compliance with this Policy, the prohibition of the abuse of inside information and the disclosure requirements concerning key persons
- ii) However, the day-to-day monitoring of the above shall be the responsibility of the Compliance Officer and he shall report to the Committee on any violation of the requirement of the Policy.
- iii) Securities transactions by Key Persons & Insider Trading shall be supervised by reconciliation of all securities transactions, on the basis of the data entered in BSE's Central Depository System (CDS) against the declarations of Key Persons' & Insiders' holding by Arig's Share Registrars.
- iv) Maintaining an updated list of Key Persons & Insiders to whom the policy will be applicable.
- v) The Committee shall ensure that the Key Persons and Insiders are fully aware of the regulations and their obligations and that they recognize their position and the effects thereof.
- vi) Regular supervision of the Key Persons & Insiders to verify the information declared to the company at least once yearly, and in addition, the Committee should verify at least once a year the dealings by Key Persons & Insiders involving large volumes.
- vii) The Committee shall report any violations of applicable Standards and the Guidelines for Key Persons or Insiders immediately to the BSE/CBB as may be applicable from time to time.

## 9. Responsibilities of Corporate Officers

### 9.1. Compliance Officer

- i) Notify Key Person Position to concerned persons upon their appointment, election, or employment or other basis of inclusion, using the format in *Annexure III ( to be modified for Insiders appropriately)*
- ii) To ensure that persons identified as Key Persons, are advised on a timely basis.
- iii) Maintain Register of Key Persons
- iv) On completion, promptly forward Forms KP1 and KP2 to the BSE
- v) The names, titles and contact details of the person in charge of the Key Persons Register/ will be forwarded to the BSE as applicable from time to time.
- vi) Provide this Policy to all Key Persons/Insiders (as applicable) and or any other interested parties (on their specific request)
- vii) Ensuring entry in the CDS by Arig's Share Registrars.
- viii) Receive relevant reports from Company's Share Registrars with the details of shares traded by Key Persons & Insiders
- ix) Submit relevant details of the Register of Key Persons to the BSE within the stipulated time
- x) Submit relevant details of Insider Register to the Annual verification by the Group Internal Audit department
- xi) On going monitoring of the implementation of this Policy and provide periodical feed back to the Audit Committee on the status of implementation.

### 9.2. Secretary to the Board of Directors

Secretary to the Board of Directors shall notify the Compliance Officer of any changes in the membership of the Board of Directors including nominees on subsidiary Boards.

### 9.3. Heads of various departments

- i) Head of Human Resources shall notify the Compliance Officer on changes to the organization structure and shall keep the Compliance Officer notified of any changes to internal executives/staff identified as Key Persons or Insiders in Sections 2.2 & 2.3
- ii) Heads of key functions, such as, Group Management, Group Finance, Group Internal Audit, Legal, Corporate Communications, etc. shall keep the Compliance Officer notified of any changes to their staff identified as Key Persons in section 2.2 & 2.3
- iii) Heads of all departments shall keep the Compliance Officer notified of any changes to external third parties identified as insiders in section 2.2 & 2.3

## 10. Violations and Disciplinary Actions

- 10.1. In accordance with the directives of the BSE, any violations of this Policy and/or applicable guidelines issued by the BSE/CBB from time to time will be viewed seriously
- 10.2. All the relevant persons shall strictly adhere to the requirements of this Policy as well as the applicable guidelines issued by the BSE/CBB from time to time
- 10.3. Any violations, misconduct or non-compliance by relevant parties that contravenes the provisions of this Policy and the applicable regulations shall attract appropriate actions by the company, which includes the following (but not limited to) :
  - a. Disciplinary Actions
  - b. Financial Penalties
  - c. Termination from the employment or contracts/agreement etc.
  - d. Legal or criminal actions, as may be warranted in line with the prevailing laws of Kingdom of Bahrain, depending upon the nature of violation

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 الاسم 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 ورائتس							
Others اخرى							
Total المجموع							

يرجى تعبئة هذه الاستمارة لكل شخص رئيسي على حدة

Signature of the Key Person  
Date :

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

## Form KP2

استمارة KP2

Particulars / المفردات						
Name الاسم	Designation الاسم الوظيفي	ID Number رقم الهوية				
Issuer's Name: اسم الجهة المصدرة	Nationality الجنسية	Date of appointment تاريخ التعيين	Passport Number رقم الجواز			
Changes to holdings / التحديث للملكيات						
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 لشراء / الباعا او الحالات للمستثناة	Direct / Indirect مباشرة / غير مباشرة	Number of securities held after changes عدد الأوراق المالية المملوكة بعد التحديث	Percentage of issued share capital (%) نسبة الملكية من رأس المال (%)
Shares أسهم						
Options خيارات						
Rights حقوق						
Warrants ورائتس						
Others اخرى						
Total المجموع						

يرجى تعبئة هذه الاستمارة لكل شخص رئيسي

Signature of the Key Person  
Date :



## Notification of Key Persons

Mr/Mrs.....  
Arab Insurance Group  
P.O.Box 26992  
Manama  
Kingdom of Bahrain  
(or Address of the Person for other than Employees)

Dear Sirs,

**Re: Notification of Key Person**

Based on the regulations of the Bahrain Stock Exchange (BSE) on Dealings by Key Persons, Arig has established a Corporate Policy on Key Persons ("Guidelines"). As per the guidelines, persons who come into possession of any 'Inside information' of the Company ("Arig") before its public release are classified as 'Key Persons'. These Key Persons are governed by certain procedures/restrictions in dealing with Arig's Securities (shares) which include the following (but not exhaustive) :

- Initial submission of Key Person declaration forms upon inclusion as "Key person"
- Restrictions on trading when you possess any "Insider Information"
- Immediate notification of any dealing in Arig's securities ( i.e. when not possessing any "Inside information") by submission of relevant declaration
- Maintaining the confidentiality of "inside" information.

In accordance with Section II of the Guidelines, as a \_\_\_\_\_(department) staff having access to sensitive information ( or by virtue of your contract/engagement with Arig), you are deemed to hold a Key Person Position, which is to be reported to the BSE using the prescribed forms (please see attached forms KP1 & KP2). Kindly arrange to provide us the completed forms per return, as these forms are to be submitted to the BSE at the earliest.

Detailed Guidelines can be viewed through MS Outlook on the Arig Network under the directory "Corporate Policies & Procedures". (or in our website [www.arig.net](http://www.arig.net)). I would request you to kindly familiarize yourself with the applicable restrictions and reporting requirements as set out in the Guidelines. I would also highlight that any non-compliance with the Guidelines will need to be reported to and will be subject to potential actions by the Company, in accordance with the regulations of the BSE

Arig's Board of Directors has designated the Audit Committee to administer and ensure compliance with the Guidelines. Administrative support to the Audit Committee will be provided by the Compliance Officer of Arig.

Please let me know if you need any clarifications or further information.

On behalf of the Audit Committee  
COMPLIANCE OFFICER

## Key Persons'(Insider) Register

Annexure IV

### PERMANENT INSIDER

ID / Passport number رقم الهوية/ الجواز	Nationality الجنسية	Date of intimation to authority	Date of change	Designation المسمى الوظيفي	Key Person الشخص الرئيسي	Person under guardianship / Control of Key Person الأشخاص ذات العلاقة بالشخص الرئيسي		Total holdings مجموع الملكيات	Security type (shares/options/ rights /warrants /others) نوع الورقة المالية (أسهم/خيارات/حقوق/وارنتس/أخرى)
						ID/CR رقم الهوية / السجل التجاري	Name الاسم		

### TEMPORARY INSIDER

ID / Passport number رقم الهوية/ الجواز	Nationality الجنسية	Date of intimation to authority	Date of change	Designation المسمى الوظيفي	Key Person الشخص الرئيسي	Person under guardianship / Control of Key Person الأشخاص ذات العلاقة بالشخص الرئيسي		Total holdings مجموع الملكيات	Security type (shares/options/ rights /warrants /others) نوع الورقة المالية (أسهم/خيارات/حقوق/وارنتس/أخرى)
						ID/CR رقم الهوية / السجل التجاري	Name الاسم		