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	<b>Ref:</b> KP - Compliance	<b>Policy Owner:</b> Director of Compliance

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**Reviewers**

<b>Reviewed by</b>	<b>Position</b>
Mikkel Vinter	CEO
Faisal Qamhiyah	CFO
Miguel Fuentes	Associate General Counsel

**Distribution List**

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1. Audit Committee	26 October 2020
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## **1. INTRODUCTION:**

Dealing in shares and securities in a listed company while in possession of Inside Information<sup>1</sup>, is prohibited under Bahrain law and regulations.<sup>2 3</sup>

As an added layer of security and transparency, the Bahrain Bourse mandates each Issuer (in this case Batelco) to issue, maintain and enforce a Key Person Dealing Policy regarding dealing with 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.<sup>4</sup> These rules relating to the dealing of Batelco's shares shall apply equally to any person under his/her guardianship or control, also referred to as a "Connected Person" (as defined below).

This Key Persons Dealing Policy (the "**Policy**") provides guidelines to Batelco staff members and other Key Persons with respect to dealing with Batelco shares and securities.

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, does therefore not necessarily constitute insider trading.

## **2. OBJECTIVES:**

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 Batelco securities, with the primary objectives of preventing abuse of Inside Information.

<sup>1</sup> Please refer to clause 3 of this Key Person Policy for definition.

<sup>2</sup> Central Bank of Bahrain (CBB) Law, Chapter 1 of Part 5 (in particular Art 100)

<sup>3</sup> CBB Volume 6 "Market Abuse & Manipulation".

<sup>4</sup> Bahrain Stock Exchange circular dated 4 November 2010, "*Guidelines on Issuers' Key Persons Dealing in Securities Accepted for Trading on the Bahrain Stock Exchange.*"

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### **3. ABBREVIATIONS AND DEFINITIONS:**

For the purposes of this Policy, the following abbreviations and definitions shall apply:

<b>"Batelco"</b>	means Bahrain Telecommunications Company B.S.C.
<b>"CBB"</b>	means the Central Bank of Bahrain
<b>"Connected Person"</b>	(a) The Key Person's spouse and his/her son, adopted son, stepson, daughter, adopted daughter, step-daughter, father, step-father, mother, stepmother, brother, step-brother, sister or step-sister, under his/her guardianship or control; or (b) A firm or company in which the Key Person 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.
<b>"Executive Committee"</b>	A committee of the Batelco Board of Directors consisting of a minimum of three members.
<b>"Executive Management"</b>	The executive management includes positions of Chief Executives, General Managers, certain directors or their equivalent & direct reportees to the Chief Executive.
<b>"Inside Information"</b>	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; and (d) Is, directly or indirectly, related to derivatives of commodities which the traders expect to be disclosed according to the market regulations. In cases where a Key Person is uncertain whether information is Inside Information or not, the Key Person shall exercise caution and treat such information confidential and as if it were Inside Information.
<b>"Issuer"</b>	for the purpose of this Policy will mean Batelco.

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<b>"Key Person"</b> also referred to as <b>"KP"</b>	Batelco Board of Directors, Executive Management, and key members of the follow that have access to Inside Information from time to time: <ul style="list-style-type: none"> <li>• Key Finance Directors (direct reportees to CFO)</li> <li>• Head of Internal Audit</li> <li>• Board Secretary</li> <li>• Key members of Legal and regulatory department</li> <li>• Key members of Corporate Communications department</li> </ul>
<b>"KP Register"</b> or <b>"the Register of KP's"</b>	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. The KP Register includes basic personal data of KPs and information on their holdings and dealings. The Register of KP's is maintained at Batelco headquarters and updated by the Person-In-Charge. As per CBB's Guidelines on Insiders Section 6.2 and MAM Module Section -2.15.1 "The Insiders' Register shall be maintained and kept by the listed company for a minimum period of 5 years."
<b>"Market Information"</b>	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.
<b>"Person-In-Charge"</b>	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 the Director of Compliance
<b>"Restricted Period"</b>	Means that Key and Connected Persons and 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

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### **3. 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, unless required in the proper performance of the functions of his/her employment, office or profession; or
- (d) Violate the rules governing the publishing of Market Information.

### **4. NOTIFICATIONS OF STATUS AS KEY PERSON:**

The Key Person shall be notified of his KP status upon his appointment, election, employment or promotion and shall be given a copy of this Policy within 10 days from HR. If it is a Board member then the notification will be from the Board Secretary office.

### **5. NOTIFICATIONS OF DEALING:**

Key Persons and Connected Persons may deal in Batelco shares provided he/she is not in the possession of Inside Information.

Key Persons are required to notify the Person-In-Charge on details of any dealings made by him/her or its Connected Persons by the end of the next business day following the completion of the dealing in Batelco securities listed on Bahrain Bourse.

The Person-In-Charge shall immediately file with the Bahrain Bourse such notifications by KPs.

### **6. RESTRICTIONS ON TRADING:**

As per CBB's resolution No.(49) of 2007 article (7) Key Persons and Connected Persons are prohibited from buying, selling or transferring of Bank's shares during the "restricted period" so that their trading will not undermine confidence in the securities markets.

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Following the publication of financial statements by the company, Key Persons and Connected Persons must refrain from trading and wait until the commencement of the following day's trading session, or after 24 hours, whichever is later, after the publication of the financial statements have been released in the local newspapers or any other material news.

The restriction on trading shall not be applied in cases where:

- a) buying securities by subscribing or obtaining them directly from the company or its group;
- b) receiving securities in consideration of redemption, merger, demerger, or as compensation in accordance with a public tender offer, or in another comparable manner;
- c) receiving shares as dividends (bonus shares), or another form of payout from retained earnings;
- d) receiving securities as compensation for work or other performance or service;
- e) receiving securities as inheritance under a will, as a present or as a result of partition of an estate, or by means of similar acquisition.

## **7. 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 Batelco's KP's; and
- 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 Batelco's internal auditors, external auditors, Bahrain Bourse, 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 Batelco's legal department and upon request by the Person-In-Charge.

## **8. REPORTING:**

8.1 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

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within a maximum period of two business days of such changes.

8.2 The KP Register data shall be verified at least once a year before the Annual General Meeting (the "**AGM**") by Batelco's internal auditor/s. The result of such verification shall be forwarded to the CBB not more than 10 days after the date of Batelco's AGM.

## **9. MONITORING:**

The Director of Compliance shall:

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

## **10. INTERNAL MONITORING:**

For internal administration purposes, the Person-In-Charge shall monitor activities relating to Batelco staff identified as KPs and shall continue to be the overall liaison person for KPs Trading.

## **11. 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, as and when applicable.

## **12. DISCLOSURE:**

12.1 This Policy shall be posted on Batelco's website.

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 Batelco's annual report shall contain a statement on the KP policy and also details of interest of directors in the shares of Batelco.

## **13. MISCONDUCT BY KEY PERSONS AND DISCIPLINARY ACTIONS:**

13.1 The disciplinary actions imposed on the staff who are considered KP's shall be made in accordance with Batelco approved disciplinary codes. Any instances of breach of compliance by KP's with this Policy will be dealt with by HR and severe

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penalties including termination of employment contract may be enforced on the violating KP.

13.2 Any disciplinary action under 13.1 above shall be made in accordance with the provisions of the Labour Law of the Kingdom of Bahrain (concerning staff only) and CBB and Bahrain Bourse Guidelines. The CBB Law and the CBB Market Abuse & Manipulation Module may impose large penalties on persons dealing based on Inside Information, even if the KP did not directly profit from the transaction.

13.3 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 Batelco to Bahraini court for damages according to the nature and extent of damage.

#### **14. POLICY REVIEW & MAINTENANCE**

This policy will be reviewed every two years or earlier if there have been any changes to the respective laws and regulations.

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