

# Key Person Dealing Policy

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## **Document Administration**

1. In order to ensure the document referred to is the current version, the document shall be maintained on the Bank’s website, and the following guidelines for use and maintenance shall apply:

a. Any section of the document or the document in totality, if printed, will automatically assume an “un-maintained” status and the user of a hard copy of the document shall assume full responsibility for resultant non-compliance to policies in the event of changes made to the version held on the central electronic repository.

b. Access to the document shall be restricted to “read only” for all users to prevent any unauthorized amendments to the manual. Any changes to the policy should be through the Head of Enterprise Risk Management Department.

## **Amendments to the document**

The author is required to review and update the document every two years. In case of any major changes requiring the change of the document, the author needs to update the document even before the completion of two years from the last update.

<b>Bank/NBB/Issuer</b>	Shall mean the National Bank of Bahrain B.S.C. and its overseas branches.
<b>CBB</b>	Central Bank of Bahrain
<b>BHB</b>	Bahrain Bourse
<b>Issuer's Securities</b>	Any issuer's securities' accepted for trading in and off the Exchange.
<b>Director(s) and advisors to the board :</b>	Includes any person who occupies the position of a director of the Board of Directors of NBB or a person who serves as an advisor to the Board of Directors .
<b>CEO</b>	Chief Executive Officer of NBB
<b>Dealing or Deal</b>	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 any agreement for or with a view to acquiring, disposing of, subscribing for, or underwriting securities of the Bank. To be clear, dealing includes (but is not limited to) on -BHB and off-BHB transactions, including subscriptions of securities of NBB, as well as transactions relating to securities of NBB that are quoted on another market exchange other than the BHB .
<b>Purchase</b>	In relation to securities, includes, in the case of an option contract under which a party acquires an option or right from another party, acquiring the option or right under the contract, or taking an assignment of the option or right, whether or not on another's behalf.
<b>Sell</b>	In relation to securities, includes, in the case of an option contract under which a party acquires an option or right from another party: (a) Grant or assign the option or right; or (b) Take, or cause to be taken, such action as releases the option or right, Whether or not on another's behalf.
<b>Dealing Policy</b>	This Key Person Dealing Policy and any subsequent amendments
<b>BHB Guidelines</b>	The BHB "Guidelines on Issuers' Key Persons Dealing in Securities Accepted for Trading" issued on 04 November 2010.
<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; d) Is, directly or indirectly, related to derivatives of commodities which the traders expect to be disclosed according to the market regulations.

<p><b>Insider Trading</b></p>	<p>Refers to the purchase or sale of an issuer’s equity and debt securities, and also the purchase or sale of puts, calls or other options with respect to such 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 issuer’s securities on the basis of undisclosed information.</p>
<p><b>Key Persons or Permanent Insiders</b></p>	<p>Means any person who has obtained inside information:</p> <ol style="list-style-type: none"> <li>By virtue of his employment or profession;</li> <li>Being an officer or shareholder of the issuer of the securities; or</li> <li>Through illegal means.</li> </ol> <p>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.</p> <p>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 of NBB, advisors to the Board of Directors of NBB, the Bank’s senior management, officers and employees, external auditors, underwriters, public relations advisers, advertising agencies, consultants and other independent contractors and such other persons as decided by the NBB Board of Directors to have access to Inside Information relating to the Bank from time to time by nature of their duties performed.</p> <p>For the avoidance of doubt, this definition shall also include Temporary Insiders defined and determined by NBB on a case-by-case basis in accordance with the CBB Guidelines on Insiders, but shall likely include employees of vendors and advisers who have access to Inside Information by virtue of their assignment. For the avoidance of doubt Temporary Insider shall be responsible for not violating the restrictions on Dealing regardless of whether he/she has been entered into the Register of Key Persons pursuant to the below as per CBB MAM module ( 2.2.1).</p>
<p><b>Connected Person(s):</b></p>	<p>in relation to a Key Person means: -</p> <ol style="list-style-type: none"> <li>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</li> <li>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;</li> </ol>

	<p>c) 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.</p>
<b>Beneficial Owner</b>	<p>Refers to any person who, even if not the recorded owner of the securities, has or shares the underlying benefits of ownership. These benefits include the power to direct the voting or the disposition of the securities, or to receive the economic benefit of ownership of the securities. A person is also considered to be the “beneficial owner” of securities if that person has the right to acquire such securities within a certain period of time, either by option or other agreement. Beneficial owners include persons who hold their securities through one or more trustees, brokers, agents, legal representatives or other intermediaries, or through issuers in which they have a “controlling interest”, which means the direct or indirect power to direct the management and policies of the issuer, or any other entity in question.</p>
<b>MAM</b>	<p>Market Abuse &amp; Manipulation</p>
<b>Fraud and Manipulation</b>	<p>Fraud may include any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss. May also include other types of fraud as specified in MAM CBB module ( B.2.8).</p> <p>Whereas manipulation includes any deliberate/reckless act or attempt or act, expression, omission or concealment or influence to interfere with the free and fair functioning of the market or to introduce misinformation or misleading appearance in the market, or to impede judgement of investors and market participants.</p>
<b>Register of Key Persons</b>	<p>A register maintained by the Bank which includes basic personal data of Key Persons and information on their holdings and dealings in the Bank's shares (or other listed securities, if any). The Register of Key Persons is maintained at the Bank's head office and updated by the Finance Department in cooperation with the Board Secretary. The register shall be maintained and kept by the Bank for a period of 5 years.</p> <p>If there were any employees identified by the Bank to be “Temporary Insiders” the declaration and information of such Temporary Insiders will be maintained under the temporary insiders section within the Bank's Register of Key Persons.</p>

<p><b>Beneficial Owner</b></p>	<p>Refers to any person who, even if not the recorded owner of the securities, has or shares the underlying benefits of ownership. These benefits include the power to direct the voting or the disposition of the securities, or to receive the economic benefit of ownership of the securities. A person is also considered to be the “beneficial owner” of securities if that person has the right to acquire such securities within a certain period of time, either by option or other agreement. Beneficial owners include persons who hold their securities through one or more trustees, brokers, agents, legal representatives or other intermediaries, or through issuers in which they have a “controlling interest”, which means the direct or indirect power to direct the management and policies of the issuer, or any other entity in question.</p>
<p><b>MAM</b></p>	<p>Market Abuse &amp; Manipulation</p>
<p><b>Fraud and Manipulation</b></p>	<p>Fraud may include any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss. May also include other types of fraud as specified in MAM CBB module ( B.2.8).</p> <p>Whereas manipulation includes any deliberate/reckless act or attempt or act, expression, omission or concealment or influence to interfere with the free and fair functioning of the market or to introduce misinformation or misleading appearance in the market, or to impede judgement of investors and market participants.</p>
<p><b>Register of Key Persons</b></p>	<p>A register maintained by the Bank which includes basic personal data of Key Persons and information on their holdings and dealings in the Bank's shares (or other listed securities, if any). The Register of Key Persons is maintained at the Bank's head office and updated by the Finance Department in cooperation with the Board Secretary. The register shall be maintained and kept by the Bank for a period of 5 years.</p> <p>If there were any employees identified by the Bank to be “Temporary Insiders” the declaration and information of such Temporary Insiders will be maintained under the temporary insiders section within the Bank's Register of Key Persons.</p>

## 1. Policy Objectives:

The Bank is required to maintain and enforce a Dealing Policy covering all the requirements specified in the CBB regulations and BHB Guidelines, in particular:

- The Central Bank of Bahrain and Financial Institutions Law (**CBB Law**);
- Volume 6 – Capital Markets, CBB Rulebook on the Prohibition of Market Abuse & Manipulation (**MAM**);
- CBB’s Guidelines on Insiders; and
- The BHB Guidelines.

This Dealing Policy aims to govern dealings in shares (or other listed securities, if any) of the Bank, by the Bank’s Directors, the CEO’s direct administrative reports, vendors or consultants and employees identified by the Finance Department to have access to unpublished financial data, and such other persons as decided by the Board of Directors to have access to such Inside Information from time to time.

The Dealing Policy details the obligations and restrictions placed upon Key Persons and the information that is classified as Inside Information.



## 2. Responsibility Allocations within NBB:

<b>Board of Directors</b>	Board members to inform the Board Secretary if and when any trade has been made who shall notify the Finance Department.
<b>Key Person</b>	Inform Finance Department through Keyperson@nbbonline.com if and when any trade has been made, and take necessary action if any violation from Key Persons has been made.
<b>Internal Auditor</b>	<p>Conduct an annual review of the Dealing Policy and submit a certification to the CBB as required under the laws and regulations.</p> <p>Verify the Key Person Register at least once a year, prior to the Annual General Meeting and notify the CBB of the results of the verification within 10 days of the Annual General Meeting.</p>
<b>Finance Department</b>	<p>Ensure strict compliance with the requirements of the Key Person Dealing Policy.</p> <p>Update the Dealing Policy based on changing regulatory requirements and/or international best practices in coordination with the Legal Department, and present any changes to the Board of Directors for approval.</p> <p>Submit the approved Dealing Policy to BHB and the CBB.</p> <p>Maintain the Register of Key Persons.</p>
<b>HR &amp; Talent Development</b>	HR to validate the key persons list regularly as and when required by Finance Department of any change of the Key Persons data including position, termination, resignation or interdepartmental transfers of a Key Person.
<b>Treasury Operations Department</b>	Coordinate with Finance Department and inform them in case there are any NBB key person trades executed through Alwatani Trade platform.

<b>Board Secretary</b>	Administer and introduce updates, if any, to the Dealing Policy in coordination with Finance and Compliance Departments. Any changes to the Dealing Policy will be presented to the Board of Directors for approval, and circulate the Dealing Policy to all Key Persons/ stakeholders.  Coordinate with Finance Department to keep an updated registry of all Key Persons in the Bank.
<b>NBB Compliance Department</b>	Coordinate with Finance Department and the Board Secretary for updates, if any, to the Dealing Policy.
<b>BISB Compliance Department</b>	Coordinate with NBB Finance Department for updates on BISB registered key persons at NBB.
<b>Corporate Communications Department</b>	Ensure that the duly approved Dealing Policy is made available on the Bank's website.

### 3. Risk & Risk Management

#### Risks

Improper handling of Key Persons Dealings may expose the Bank to legal, reputational and regulatory risks.

#### Risk management

Key person dealings must strictly comply with the requirements of the Central Bank of Bahrain (CBB), BHB, and other applicable regulations.

## 4. Policy Statements

### 4.1 Basic Principles of the Dealing Policy

a) The general rule (subject to closed periods mentioned below) is that Key Persons may deal in the securities of the Bank, if they are not in possession of Inside Information, including any unpublished price-sensitive information in relation to the securities of the Bank.

b) Failure to comply with the general rule may amount to insider trading which for the avoidance of doubt refers not only to the purchase or sale of NBB's equity and debt securities, but also to the purchase or sale of puts, calls or other options with respect to such securities.

c) Such trading is deemed to be done by an insider whenever he / she has any beneficial interest direct or indirect, in such securities or options, regardless of whether they are actually held in his / her name. Included in this concept is "tipping" or revealing inside information to outside individuals, to enable such individuals to trade in NBB's securities on the basis of undisclosed information.

Therefore, any person who is in possession of Inside Information should 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 their employment, office or profession;
- Violate the rules governing the publishing of market information.

Inside Information may include but is not limited to:-

- That requires prompt announcement in accordance with NBB's disclosure obligations;
- In respect of a merger or demerger of NBB or other significant corporate actions;
- In respect of the issuance of a security, a purchase or redemption offer or another change relating to the paid up-capital of NBB; and
- In respect of the contents of quarterly, semi-annual and annual financial statements.

a) Key Persons must refrain from dealing in the Bank's shares two weeks prior to the end of the financial quarter, and one month prior to the end of the financial year, until 24 hours after the publication of the financial statements in local newspapers. The Bank may announce any other periods in accordance with the relevant laws and regulations.

b) The restrictions on Dealings by Key Persons, and corporations in which they exercise control or influence the decision-making of the company, contained in the Dealing Policy should be regarded as equally applicable to any Dealings by any person under guardianship/ control of the Key Person. It is the duty of the Key Person to seek avoidance of any such Dealing, at a time when he himself is not free to Deal.

c) The same restrictions apply to Dealings by Key Persons in the securities of any other listed companies, when by virtue of his position as a director or senior manager of the Bank; he / she is in possession of Insider Information.

d) The Key Persons who intend to increase their long term holdings/ positions in the Bank's shares (or other listed securities, if any) are encouraged to purchase the Bank's shares on a regular basis by an agent, in a manner over which the Bank or Key Person has no control.

e) Any Key Person who acts as trustee of a trust should ensure that his co-trustees are aware that he is a Key Person of NBB, so as to enable them to anticipate possible restrictions on Dealing in shares (or other listed securities, if any) of the Bank. A Key Person, having funds under management should likewise advise the investment manager, as such Key Person remains responsible for compliance with the restriction on Dealing set out in this Dealing Policy.

f) Any Key Person who is a beneficiary but not a trustee, of a trust which Deals in securities of the Bank, should endeavour to ensure that the trustees notify him after they have dealt in the Bank's shares (or other listed securities, if any) on behalf of the trust, in order that he in turn may notify the Bank. For this purpose, he/ she should ensure that the trustees are aware of his/her status as a Key Person in the Bank.

g) When a Key Person places investment funds under professional management where either he retains or exercises influence, the fund managers should be made subject to the same restrictions and procedures as the Key Person himself, in respect of the proposed Dealings in the Bank's shares (or other listed securities). It remains the responsibility of the Key Person for compliance with the restrictions on Dealings contained in this Dealing Policy.

h) For the purposes of the Dealing Policy, the grant to a Key Person of an option to subscribe or purchase the Bank's shares shall be regarded as Dealing by him, if the price at which such option may be exercised is fixed at the time of such grant. For the avoidance of doubt, the receipt of securities by a Key Person as compensation for work or other performance of service shall not be subject to the restrictions on Dealings contained in these rules.

i) The Key Persons should not make any unauthorised disclosure or use of confidential information or Inside Information gained by them by virtue of their official position or responsibility in the Bank for their own advantage or for the advantage of any other person. For the avoidance of doubt, where the Key Persons' Dealing of the securities issued by the Bank is permitted, the Key Person must not directly or indirectly communicate any Inside Information to other persons.

j) Key Persons must schedule their Dealing of securities issued by the Bank in such a manner that their trading will not undermine confidence in the securities market.

k) For the avoidance of doubt, the restrictions on trading by Key Persons shall not apply to 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.

## 4.2 Notifications of dealing

4.2.1 Key Persons are required to advise the Bank's Board Secretary or via email [keyperson@nbbonline.com](mailto:keyperson@nbbonline.com), on details of the dealing by the end of the next business day following the completion of the dealing who shall notify the Finance Department. The Bank shall immediately file with the BHB such notifications of dealings by Key Persons by using form KP2.

4.2.2 BHB reserves the right to disseminate to the public, the dealing information as per the rules and regulations issued by the CBB.

4.2.3 The Bank must verify on a case-by-case basis the trading of a Key Person where he/ she deals in a large volume of the Bank's securities or is trading with them frequently.

4.2.4 The Bank must immediately notify the CBB of any violation of MAM, through appropriate channels.

4.2.5 The Bank shall notify any person of his/ her status as a Key Person of the Bank upon his/ her appointment, election or employment, and procure a declaration of information, as required.

4.2.6 Furthermore, key persons are obligated to advise the Bank's Board Secretary or via email [keyperson@nbbonline.com](mailto:keyperson@nbbonline.com), on the details of any transfer of the Bank's shares from their holdings to any of the Bank's registered shareholders.

### **4.3 Notifications of change in Connected Persons**

Key Persons are required to advise the Bank's Board Secretary or via email [keyperson@nbbonline.com](mailto:keyperson@nbbonline.com), on any change in connected Persons by the end of the next business day following the change who shall notify the Finance Department.

### **4.4 Maintenance of a Register of Key Persons**

Finance Department in their capacity as the in-charge of Key Persons register shall at all times maintain an updated register of Key Persons in coordination with the Board Secretary containing the following:

- Basic personal data of Key Persons of the Bank;
- Key Persons holdings and interests in the Bank; and
- Details regarding Dealings by Key Persons in the securities of the Bank.

In order to maintain and update the Register of Key Persons, Key Persons are required to provide the Bank with their personal data and information.

The Register of Key Persons is stored at the Bank's Head Office, and is available for inspection by the CBB at any time.

### **4.5 Notifications to the Bahrain Bourse on the Key Persons register report**

Finance Department shall submit an updated and complete the Key Persons register report to the BHB as soon as practicable but not more than 10 calendar days after the following:

- The conclusion of its Annual General Meeting; and
- Upon request by BHB.

The Bank should further notify the BHB of any changes to its Register of Key Persons within 10 calendar days of such changes.

#### 4.6 Relevant forms and filing instructions

- **Form KP1** for initial filings of the Register of Key Persons with the BHB.

Part 1 of the form (KP1) regarding the Bank's authorized representative information.

Part 2 of the form (KP1) regarding particulars & holdings of Key Persons:

"Particulars & Holdings of Key Persons" refers to members of the Bank's Board of Directors, the CEO's direct administrative reports, the Bank itself, and such other persons as decided by the Bank's Finance Department to have access to Inside Information relating to the Bank from time to time. For purpose of filling the 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.

Part 3 of the form (KP1) on the summary of particulars & holdings of Key Persons Register:

Should be completed for the purpose of maintaining details of connected persons (relatives or firms) which fall under their guardianship if any.

- **Form KP2** for filings of changes to the Register of Key Persons.

This form should be completed for changes to the Bank's Register of Key Persons either due to addition or removal of Key Persons, or changes in the particulars or holdings of existing Key Persons.

Forms' filling Instructions:

All forms attached to this Dealing Policy must be completed by the duly authorized officer of the Bank and submitted to [Insiders.register@bahrainclear.com](mailto:Insiders.register@bahrainclear.com).



#### **4.7 Administrative aspects**

From time-to-time, the Board of Directors, the CEO's direct administrative reports, their connected persons and others identified by the Finance Department will be required to fill various forms to notify their basic personal information, changes to the basic personal information, declaration of beneficial ownership and changes to the beneficial ownership etc. The information provided in the forms will be subject to verification by the Bank's internal auditors, the Bank's external auditors, BHB, Clearing House, Central Depository System, Registrar, and other regulatory bodies as required under the regulations in Bahrain.

#### **4.8 Violations and penalties**

Any conduct by Key Persons that contravenes the provisions of this Dealing Policy or any restrictions imposed by the regulatory authorities or act of fraud and manipulation is considered an offence and will be dealt with severely, and reported immediately to the CBB as per their proscribed template in the MAM module (A.4.6) . The courses of action and penalties that the Bank may impose and related procedures enforcing such penalties will include, among others:

- Cancellation of the deal;
- The profit made on the deal would be recovered together with costs, if any, associated with the action;
- Financial penalties; and
- Terminate the services of the Key Person with the bank.

The above penalties that will be imposed by the Bank do not discharge or exempt those who violate the Dealing Policy from any action taken by the regulatory authorities, including penalties prescribed in the CBB and the BHB Laws, rules and regulations. These penalties can be imposed on the relevant stakeholders committing the violations such as directors, employees, consultants etc.

A person shall not be guilty of violation of section MAM-3.1 if he proves that his reasons for engaging in the alleged behavior or conduct were legitimate and that he had acted in conformity with the accepted market practices in the market concerned, or that he had acted in conformity with any price stabilization rules or market making rules made/approved by the Central Bank, or if he believed on reasonable grounds that his behavior or conduct did not violate Article 106 of the CBB Law, and that he had taken all reasonable precautions and exercised all due diligence to avoid behaving in any way against the said Article.

#### **4.9 Ongoing compliance**

Ongoing compliance with the above-mentioned rules is a regulatory requirement and contravention or non-compliance is considered as an offence, therefore the key person dealing is being audited on annual basis by internal audit department.

#### **5. Policy Review and Availability**

This Dealing Policy should be reviewed every two years or more frequently than that, if necessary, based on changes in the Bank's processes, systems, or legal and regulatory requirements.

The Bank shall make the Dealing Policy publicly available on its website.

The Dealing Policy was approved by BHB on 27 July 2023, and is made available to Key Persons, shareholders of the Bank and other interested parties.