

KEY PERSONS' DEALING POLICY

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1. INTRODUCTION

The Bahrain Bourse (BHB) issued guidelines on securities issuers key persons dealing in securities accepted for trading on the (BHB). This replaces previous guidance on Insider Dealing, issued by the now defunct the Central Bank of Bahrain (CBB).

1.1. Requirement for Key Person Dealing Policy

Guidance issued by the (BHB) requires each Issuer to issue, maintain and enforce a Key Person Dealing Policy regarding dealing in 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.

1.2. Legislative and Ethical Context

Guidance states that dealing in securities while in possession of inside information is illegal, according to the following items of legislation:

- Chapter 1 of Part 5 particularly Article 100 of the Central Bank of Bahrain (CBB) Law; and
- CBB's volume (6) "Market Abuse & Manipulation" which prohibits such abuse of inside information.

Users of this policy should further be aware that the prevailing laws and regulations issued in respect of Key Persons' trading by the (CBB) or (BHB) shall override any section of this policy, as and when effective. The Board should therefore ensure that new laws or items of legislation released by the (CBB) are reviewed and any required amendments to policies are undertaken in order to maintain compliance.

Adoption of an appropriate Key Person's Dealing Policy helps the Trafco Group B.S.C. (or the Company) to mitigate the following risks:

- Breach of trust and confidence in usage of fiduciary position of persons connected with the Company;
- Unethical trading in securities involving secret unfair advantage; and
- Damage to the reputation of the market in which the securities are traded.

1.3. Purpose of Policy

The purpose of this policy is to:

- Ensure compliance with legislation and guidelines published by the (CBB) and (BHB);
- Outline the Company's policies with regards to dealing in securities by Key Persons;

- Avoid impropriety and protect the reputation of Trafco Group by maintaining the integrity and ethical conduct of its Directors, members of Senior Management and any other individual or entity connected with the Company on a day-to-day basis; and
- Define and explain the responsibilities of Key Persons and the Company as well as the necessary disclosures.

1.4. Distribution

- 1.4.1. These guidelines will be provided to all Directors, members of Senior Management, and other persons falling within the definition of key persons (see section 2).
- 1.4.2. The policy will be made publicly available on the Company website.

1.5. Scope of application

These guidelines will be applicable to:

- All Company Directors, Senior Management and all those falling within the definition of key persons;
- All inside information relating to the Company; and
- All dealings in the listed securities of the Company.

1.6. Revisions to Guidelines

- 1.6.1. These guidelines shall be reviewed periodically in order to be compliant with the Company's Corporate Charter, regulatory requirements issued by the (CBB) and (BHB) and any other internal or external developments.
- 1.6.2. Revisions to these guidelines will only be adopted on review and approval by the Executive Committee of Trafco.

1.7. Reference

- 1.7.1. Anyone with any doubts or queries relating to any part of this policy should contact the Executive Committee of Trafco.

Definitions

- 1.8. **Bourse:** Bahrain Bourse (BHB).
- 1.9. **Issuer:** any issuer's securities' accepted for trading in the (BHB), i.e. Trafco Group B.S.C.
- 1.10. **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
- 1.11. Enter into any agreement for or with a view to acquiring, disposing of, subscribing for, or underwriting securities of the issuer. To be clear, dealing includes (but is not limited to) on-(BHB)

and off-(BHB) transactions, including subscriptions of securities of the Issuer, as well as transactions relating to securities of the (BHB)-listed Issuer that are quoted on another Exchange.

1.12. Inside Information, as defined in MAM B.2.10, means information that:

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

1.13. Key Persons refers to members of Trafco Group's Board of Directors, senior management, Trafco itself, and such other persons as decided by Trafco Group's board to have access to inside information relating to Trafco Group 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 Trafco, therefore, does not necessarily constitute insider trading.

1.14. Register of Key Persons refers to a register maintained by Trafco Group which includes basic personal data of Key Persons and information on their holdings and dealings in the Issuer. The Register of Key Persons is maintained at Trafco Group's headquarters and updated by the Compliance Officer, Company Secretary or other authorized representative of **Trafco Group**.

2. DEALING POLICY: DEALING AND USING INSIDE INFORMATION

2.1 Restrictions

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, otherwise than in the proper performance of the functions of his employment, office or profession; or
- d) Violate the rules governing the publishing of market information.

2.2 Exemptions

There are no exemptions to these rules. Only where a Key Person is not in possession of Inside Information will they be in permitted to deal in the securities of Trafco.

2.3 Notifications of Dealing

2.3.1 Key Persons are required to advise Trafco Group for its records on details of the dealing by the end of the next business day following the completion of the dealing. Trafco shall immediately file with the (BHB) such notifications by Key Persons by using Form KP2.

2.3.2 Trafco Group acknowledges that the (BHB) reserves the right to disseminate to the public the dealing information as per the rules and regulation issued by the (CBB).

3. RECORD KEEPING

3.1 The Register

Trafco Group shall at all times maintain an updated Register of Key Persons containing the following:-

- a) Basic personal data of Key Persons of the Issuer;
- b) Key Persons holdings and interests in the Issuer; and
- c) Details regarding dealings by Key Persons in securities of the Issuer. The Issuer shall notify any person of his status as a Key Person of the Issuer upon his appointment, election or employment in the Issuer, and procure a declaration of information as required.

3.2 Management and Supervision

3.2.1 Oversight

Compliance with guidelines issued by the (CBB) and (BHB) will be managed and supervised by the Executive Committee.

3.2.2 Verification and Internal Audit

The Company shall verify information received from Key Persons as and when it is received. The Internal Auditor shall conduct a review of Key Persons' information on an annual basis. This should be completed 15 calendar days in advance of the AGM.

3.2.3 Violations

Any violations of the disclosure requirements, policies or guidelines issued by the (CBB) or (BHB) shall be reported immediately to the relevant body.

4. NOTIFICATIONS TO THE (BHB) ON REGISTER OF KEY PERSONS

4.1 Key Persons' Register

Trafco Group shall submit an updated and complete Register of Key Persons to the (BHB) as soon as practicable but not more than 10 calendar days after the following:-

- a) The start of trading when it is first listed on the Exchange;
- b) The conclusion of its Annual General Meeting; and
- c) Upon request by the Exchange.

Trafco Group shall notify the (BHB) of any changes to its Register of Key Persons within 10 calendar days of such change. **Form KP1** should be used for initial filings of the Register of Key Persons with the (BHB), and **Form KP2** should be used for filings of changes to the Register of Key Persons. Copies of these forms are included at appendix I and II respectively.

4.2 Maintenance of Information

The register of Key Persons shall be updated internally as and when changes in the details relating to Key Persons should occur. Versions of the register shall be maintained on file for a period of 5 years.

4.3 Instructions for Completing Key Person Forms

4.3.1 All Forms attached to this policy must be completed by a duly authorized officer of Trafco Group, the Compliance Officer; Company's Secretary and submitted to the (BHB) both in physical form and electronically to Insiders.register@bahrainbourse.com (in Excel Format).

4.3.2 KP1 (Part 1)

Trafco Group's Authorized Representative Information should be completed and submitted to the (BHB) not more than **10 calendar days** as follows:

- a) After the start of trading when the Issuer is first listed on the (BHB).
- b) Upon the conclusion of the Issuer's Annual General Meeting (AGM).
- c) Upon the (BHB)'s request.

4.3.3 KP1 (Part 2) – Particulars and Holdings of Key Persons

Key Persons of Trafco refers to members of the Issuer's Board of Directors, Senior Management, the Issuer itself, and such other persons as decided by the Issuer's board to have access to inside information relating to Trafco from time to time. For the purposes of filling in 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.

4.3.4 KP1 (Part 3)

This should be completed for the purpose of Summary of particulars & holdings of Key Persons Register.

4.3.5 KP2

This should be completed for changes to an Issuer's Register of Key Persons either due to additions or removals of Key Persons, or changes in the particulars or holdings of existing Key Persons.

5. VIOLATIONS AND PENALTIES

5.1 Response to Violations

The Board of Trafco Group will respond to any identified violations of these guidelines rapidly and severely. Once a potential violation has been identified, the Board will undertake the following steps:

- 5.1.1 Convene a special meeting of the Board to discuss the case and information available and determine next steps. This may be preceded by a special meeting of the Executive Committee.
- 5.1.2 Remove the Key Person concerned (on a temporary basis initially) from any position giving them access to inside information. The terms of any such removal should be decided by the Board. The Board should also consider whether the assistance of external experts, such as Internal Auditors, is required.
- 5.1.3 Obtain verification of trades made by the key person;
- 5.1.4 Identify any trades made by the Key Person in the securities of the Company;
- 5.1.5 Confirm whether the Key Person was in possession of Inside Information.
- 5.1.6 Once all relevant information has been gathered, a further special meeting of the Executive Committee should be convened. At this meeting the Board will decide whether a violation of policy has occurred.
- 5.1.7 If a violation has occurred the Board will determine appropriate sanction to be taken against the Key Person. All Key Persons should be informed that any violation of the Dealing Policy by them, whether they are employed by or under contract with the Company, including directors, employees, consultants or contractors, may result in action being taken to terminate their service.

Approval

This policy has been approved by the Board of Directors.

6. Appendix :

KP1, KP2 forms can be obtained separately.