

بنك السلام  
Al Salam Bank



# Key Persons Dealing Policy

**Policy Owner:**

**Ali Al Khaja**

**Head of Compliance & MLRO Al Salam Bank B.S.C**

**Policy Approved by:**

**ASB Board**

**January 2023**



## Version History

Version	Version Date	Revision Summary	Author
1.0	October 2011	Approved by ASB Board	Bader Al Shetti
2.0	August 2013	Approved by ASB Board	Bader Al Shetti
3.0	July 2018	Approved by ASB Board	Ali Yusuf Al Khaja
4.0	February 2023	Approved by ASB Board	Ali Yusuf Al Khaja

### Notes and Review:

The policy should be reviewed once every board term to ensure its operating at maximum effectiveness and reflects the requirements stipulated under the applicable laws and regulations.



## Table of contents

1	Definitions	4
2	Introduction	5
3	Objective	6
4	Administrative Aspects	6
5	Dealing Policy	7
6	Restrictions and Closed Periods	9
7	Maintenance of A Register of Key Persons	10
8	Ownership Disclosure	11
9	Violation and Penalties	12
10	Key Person Application Forms Briefing	13
11	Appendices	14



## 1. Definitions

**The following words and expressions as used herein shall have the following meanings:**

**"ASB", "The Bank"** Al Salam Bank B.S.C.

**"Exchange"** any exchange in which Al Salam Bank has listed share in.

**"Dealing"** where referred to in these guidelines, includes (whether as principal or agent) making or offering to make with any person, or including or attempting to include 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 bank. To be clear, dealing includes (but not limited to) on exchange and off-exchange transactions, including subscriptions of securities of the bank, as well as transactions relating to securities of the bank that are quoted on other exchanges.

**"Dealing Policy"** shall refer to the Bank's Key Person Dealing Policy.

**"Inside Information"** includes but not limited to:

- (a) Is precise in nature relating directly or indirectly to one or more of the securities of the bank therefore;
- (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; As defined in the CBB and financial institution law of 2006 and CBB Rulebook and applicable regulations.

**"Key Persons"** refers to members of the Bank's board of directors, senior management, the bank itself, and such other persons as decided by the bank's board to have access to inside information relating to the bank 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 the bank, therefore, does not necessarily constitute insider trading.

**"Register of Key Persons"** refers to 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.



## 2. Introduction

Dealing in the securities of a listed company while in possession of inside information is illegal as stated in articles 97,98,99 and 100 of the Central Bank of Bahrain (“CBB”) and Financial Institution Law of 2006 as well as CBB Rulebook Volume 6. The Bank’s directors, senior management and such other persons as decided by the issuer to have access to insider information relating to the Bank from time to time should not deal in the shares (or other listed securities, if any) of the Bank while they are in possession of Inside Information.

The restrictions on dealings by a director or by a senior manager or other key persons contained in these rules should be regarded as equally applicable to any dealings by Person under guardianship/ Control of the Key Person. It is the duty of the director or senior manager, to Abide by the laws and regulations related to insider trading.

Any director of the Bank, member of the senior management team or other key persons who acts as trustee of a trust should ensure that his co-trustees are aware that he is a director of Al-Salam Bank, so as to enable them to anticipate possible restrictions on dealing in shares (or other listed securities, if any) of the Bank. A director having funds under management should likewise advise the investment manager.

Any director of the Bank, member of the senior management team or other key person who is a beneficiary, but not a trustee, of a trust which deals in the 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 to notify the Bank. For this purpose, he should ensure that the trustees are aware of his directorship or key person status of Al Salam Bank.

When a director of the Bank, member of the senior management team or other key persons 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 director himself, in respect of the proposed dealings in the Bank’s shares (or other listed securities). For the purpose of the rules, the grant to a director or senior manager or other 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. The Bank’s directors, senior management and other key persons should not make any unauthorized disclosure or use of confidential information gained by them by virtue of their official position or responsibility in the Bank for their own advantage of any other person.

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



### 3. Objective

This policy aims to govern dealings in the shares (or other listed securities, if any) of Al Salam Bank B.S.C. (the Bank) by the Bank's Board of Directors, senior management and such other persons as decided by the Bank to have access to insider information from time to time.

### 4. Administrative Aspects

On a Semi-annual basis, the directors, members of the senior management team or other insiders would be required to:

- fill certain forms related to their basic personal information, change to the basic personal information, declaration of beneficial ownership and changes to the beneficial ownership etc.
- The information provided in the forms would be subject to verification as required under the regulations in Bahrain.
- Key Persons are also required to fill the key person notification form.
- The register data shall be verified at least once a year before the Annual General Meeting by the internal auditor of the Bank. Ongoing compliance with the above-mentioned rules is a regulatory requirement and contravention or non-compliance is considered as an offence.



## 5. Dealing Policy

### 5.1 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 securities to which that information relates;
- (c) Disclose inside information to any other person, otherwise in the proper performance of the functions of his employment, office or profession;
- (d) Violate the rules governing the publishing of market information;

### 5.2 Notification of Dealing

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

### 5.3 For the shares traded on the DFM

Taking into consideration the provisions of Article (12) of the Standards of Institutional Discipline and Governance of Shareholding Companies, issued pursuant to SCA's Resolution No. 7/R.M. 2016, as well as the provisions of Article (14) of SCA Resolution No. (2) of 2001 related to the regulations on Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities; the Board of Directors and Market Insiders shall notify the Market of their trading of such Company in accordance with the following procedures:

Before initiating the execution of buying or selling orders, the Market shall be provided with an annually-updated list of the names of the Chairman and Directors of the Company, the General Manager and Insider employees. The list shall include the investor number of the aforementioned persons, as well as any changes that occurred in this list during the year.

- A. The aforementioned notification shall include the name of the person wishing to trade, the type of trading intended (selling/ purchasing) and the quantity of shares to be traded.
- B. The Notification shall be sent via email or through other electronic means.



- C. Approval of the Director General of the Market, or whoever designated on his behalf, shall be obtained.
- D. The aforementioned persons shall disclose to the Market, in advance, any trading in Securities of the Parent Company, a Subsidiary Company or a Sister Company, if the said companies are listed on the Market.

## **5.4 Notifications to the Exchange on Key Persons**

### **Register**

The bank shall submit an updated and complete Register of Key Persons to the Exchange as soon as practicable but not more than 10 calendar days after the following:

- (1) The start of trading when it is first listed on the Exchange;
- (2) The conclusion of its Annual General Meeting; and
- (3) Upon request by the Exchange.

The Bank shall further notify the Exchange of any changes to its Register or 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 Exchange, and

**Form KP2** should be used for filings of changes to the Register of Key Persons.

**Relevant Key Persons are required to fill the notification of key person form.**





## 6. Restrictions and Closed Periods

All Key Persons are required to consider periods where trading is prohibited when trading in the Bank's securities so that their trading will not undermine confidence in the securities markets.

Key Persons are prohibited from trading during the following periods on Dubai Financial Market "DFM":

- For a period of ten (10) business days before the announcement of any material information that would affect the share price up or down, unless the information is resulting from sudden event.
- For a period of (15) fifteen days before the end of the Financial Period, quarterly or semi-annual until the disclosure of such statements.
- (15) fifteen days prior to the year end until the AGM is held for the annual financial reporting.

Furthermore, on Bahrain Bourse, as per MAM-2.14.2 of the Central Bank of Bahrain's Rulebook, following the publication of financial statements by the Bank, Permanent Insiders 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.



## 7. Maintenance of A Register of Key Persons

On monthly basis, the Compliance Officer shall maintain an updated Register of Key Persons containing the following:

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



## 8. Ownership Disclosure

As required by AML-7.1.1 of the CBB Rulebook volume 6 and article 1 of the DFM rules and regulations handbook related to disclosure:

- any Person whose ownership alone or his ownership together with that of his minor children, or any other accounts under his disposal, or the ownership of any of his associate or affiliate companies amount to 5% or more of any listed Security of a joint stock company, must notify the licensed exchange forthwith, which must in turn notify the CBB of this fact and the CBB may declare the name of the Person who owns such stake. The notification shall be sent to both **DFM and Bahrain Bourse.**
- All persons whose ownership alone or whose ownership together with that of their minor children, or the accounts standing under their disposal amounts to 5% or more of any listed security must conclude all transactions on such security on a licensed exchange in Bahrain.
- All Persons must obtain CBB prior written approval to execute any order that will bring their ownership alone or their ownership together with their minor children, or the accounts standing under their disposal to 10% or more in any listed security. Any further increase of 1% or more shall also be subject to CBB prior written approval. If the approval is obtained a notification is sent to **both Bahrain Bourse and DFM.**

With regards to the above, the CBB will approve a person (individual) or entity to hold 10% or more as per the applicable rules and such person will be deemed a controller.

The investor is responsible and must inform the Bank of the above in order to make the necessary arrangements with regulatory bodies.



## 9. Violation and Penalties

Any conduct by a key person that contravenes the provisions of this Dealing Policy or any restriction imposed by the regulatory authorities is considered an offence and will be dealt with severely by the Bank. The course of action and penalties that the Bank may impose and related procedures enforcing such penalties will include among other things:

- Cancellation/ reversal of the deal.
- The profit made on the deal would be recovered together with costs, if any, associated with the action.
- Financial penalties.
- Termination of the key person's employment/ services/ membership.

Any of the above penalties that may be imposed by the Bank will not discharge or exempt violators from any action taken by the regulatory authorities, including penalties.

In addition, any financial penalties imposed on the Bank as a result of violations by key persons may, in the Bank's sole discretion, be passed on to such Key Person on a full indemnity basis.



## 10. Key Person Application Forms Briefing

### Type of Application Form:

#### 1. Register of Key Person Form (KP1)

- Company's Authorized Representative Information (Part1)
- Particulars & Holdings of Key Persons (Part2)
- Summary of particulars & holdings of Key Persons Register (Part3)

#### 2. Changes to particulars and holdings of Key Persons (KP2)

### Form Filling Instructions:

All forms attached to this policy must be completed by a duly authorized officer of the Bank, typically the Compliance Officer, Company Secretary or other authorized representative of the Bank, and submitted to the Exchange in physical form or electronically to:

- Bahrain Bourse, [insiders.register@bahrainclear.com](mailto:insiders.register@bahrainclear.com) (in excel format).
  - 1- **Form KP1 (Part1)** "Company 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 Bank us first listed on the Exchange.
    - Upon the conclusion of the Bank's Annual General Meeting.
    - Upon the Exchange's request.
  - 2- **Form KP1 (Part2)** "Particulars & Holding of Key Persons" Key Persons of the bank refer to members of the Bank's Board of Directors, senior management, the bank itself, and such other persons as decided by the bank's board to have access to inside information relating to the Bank 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.
  - 3- **Form KP1 (Part3)** should be completed for the purpose of summary of particulars & holdings of Key Persons Register.
  - 4- **Form KP2** should be completed for changes to the Bank's Register of Key Persons either due additions or removal of Key Persons, or change in the particulars or holdings of existing Key Persons.

Insider trading information required by the Dubai Financial Market is to be sent on [registry@dfm.ae](mailto:registry@dfm.ae) and through e-services.



## 11. Appendices

- **Company's Authorized Representative Information (KP1- Part1).**
- **Particulars & Holdings of Key Persons (Kp1-Part2).**
- **Summary of Particulars & Holdings of Key Persons Register (KP1-Part3).**
- **Form (KP2).**
- **Notification of Key Person Form.**

### For any questions relating to this Policy, please contact:

The Money Laundering Reporting Officer (MLRO)

Appointed for Al Salam Bank B.S.C

Mr. Ali Yousif Al Khaja

Head of Compliance & MLRO

Tel: (+973) 17 133502

Fax: (+973) 17 131053

E-mail: [a.yusuf@alsalambank.com](mailto:a.yusuf@alsalambank.com)