

KEY PERSONS DEALING POLICY

Approved by the Board of Directors on 22nd February, 2011.

Signed on behalf of the Board of Directors by:



**Abdulla Hassan Buhindi
Chairman**

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1. Introduction:

Dealing in the securities of a listed company while in possession of inside information is illegal according to Chapter 1 of Part 5 particularly Article 100 of the Central Bank of Bahrain (CBB) Law in addition to the CBB's volume (6) "Market Abuse & Manipulation" which prohibits such abuse of inside information.

As an added layer of security and transparency however, it is required by the Bahrain Stock Exchange that 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 the 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. This Policy is based on the Guidelines on Issuers' Key Persons Dealing in Securities Accepted for Trading on the Bahrain Stock Exchange adopted by Resolution of the Chairman of Bahrain Stock Exchange No. (16) 2010 published in the Official Gazette No. 2972 of 4th November, 2010. The effective date of the Resolution was 1st December, 2010.

2. Effective Date

The Effective Date of the Policy is the same as for the above-stated Resolution which was 1st December, 2010.

3. Purpose

This Policy provides prohibitions and guidelines to Directors, Managers, Offices, Employees, Auditors of and Consultants to Banader Hotels Co. with respect to dealing with its shares and other securities.

4. Definitions & Abbreviations

The following words and expressions shall have the meaning assigned to them:

"BHC" refers to Banader Hotels Company (B.S.C.)

"Bourse" refers to Bahrain Bourse.

"Dealing", where referred to in this Policy, 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 offer to enter into any agreement for or with a view to acquiring, disposing of, subscribing for, or underwriting securities of BHC. To be clear, dealing includes, but is not limited to, on-Bourse and off-Bourse transactions including subscriptions of securities of BHC, as well as transactions relating to securities BHC that are quoted or may in future be quoted on another Bourse/Exchange.

"Dealing Policy", refers to this same Policy.



"Inside Information", means the information that:

- a. Is precise in nature relating directly or indirectly to one or more of the securities of BHC 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.

"Key Persons" refers to BHC members of the Board of Directors, senior management, managers, officers, employees, auditors, consultants and any of such other persons as decided by BHC Board to have access to inside information relating to BHC 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 BHC, therefore, does not necessarily constitute insider trading.

"Insider Trading" refers to the purchase, sale or transfer of BHC shares. Such trading is deemed to be done by a Key Person whenever such a Key Person has direct or indirect beneficial interest in such shares regardless of whether they are actually held in his or her name.

"Register of Key Persons" refers to a register maintained by BHC which includes basic personal data of Key Persons and information on their holdings and dealings in BHC. The Register of Key Persons is maintained at BHC headquarters and updated by the Compliance Officer, Company Secretary or any other authorized representative of BHC.

Paragraph 5.D. elaborates on the Key Persons Register.

5. Dealing policy

A. Dealing and Using of Inside Information

Dealing in the shares and securities of BHC while in possession of Inside Information is illegal: Chapter 1 of Part 5 of the CBB Law prohibits such abuse of the Inside Information by all Insiders and specially Key Persons. As such, any person who is in possession of inside information shall not use such information to:

1. Deal in any securities to which that information relates;
2. Encourage any person to deal in any securities to which that information relates;
3. Disclose inside information to any other person, otherwise than in the proper performance of the functions of his employment, office or profession;
4. Violate the rules governing the publishing of market information;



Key Persons are prohibited from using inside information in the workplace for their own personal or economic benefit and are further prohibited from disclosing such Inside Information to any person who is not authorized by BHC to have access to such information to include all persons directly or indirectly related to the Key Persons.

B. Specific Prohibitions Applicable to Key Persons

1. Purchasing or Selling Securities based on Inside Information:

A Key Person shall not purchase, sell, offer to purchase or offer to sell any BHC stock or other securities, during any period that he or she possesses Inside Information regarding BHC.

During the period that the Key Person possesses Inside Information, a Key Person must forgo a proposed transaction in BHC securities, even though he or she may have planned to make the purchase or sale before learning of the Inside Information and even though failure to execute the purchase or sale may result in an economic loss to, or the non-realization of anticipated profit by, the Key Person.

2. Disclosure of Inside Information:

A Key Person shall not disclose/tip Inside Information to any person (including a family, household member, friends) who is not specifically authorized by BHC to have access to such information. If the Inside Information is used by the person disclosed/tipped by the Key Person to purchase or sell BHC securities, the Key Person will be legally responsible for the consequences of the purchase or sale as if he or she was purchasing or selling for his or her own account. Likewise, any Key Person shall not make any recommendation or express opinion about BHC securities to any other person on the basis of Inside Information regarding BHC, even if the Key Person does not actually disclose such Inside Information to the other person.

3. Confidentiality of Inside information:

All Inside Information relating to BHC is the property of BHC, and BHC, has the sole and exclusive right to determine how and when to disclose such information.

Unless specifically authorized by BHC, no Key Person may disclose Inside Information publicly or otherwise.

In all cases in which a Key Person is not certain that information in his or her possession is Inside Information, the



Key Person should exercise caution and treat the information confidentially as if it is Inside Information.

However, there are general categories of information that are particularly important to BHC and should always be considered material, regardless of whether the information is considered to be positive or negative, to a particular investment decision. Examples of such type of information include:

- Financial condition or Results;
- Projections of future financial condition or results;
- Receipt of or delay in receiving any key regulatory approvals;
- Significant development or product announcements;
- Pending or Proposed Acquisitions or Mergers;
- Pending or Proposed dispositions of significant amounts of assets;
- Pending or Proposed partnerships, acquisitions, joint ventures, spin-offs;
- Impending defaults on indebtedness, Bankruptcy or other financial liquidity problem;
- Gains or losses of substantial customers or orders;
- Stock splits, reverse stock splits, recapitalization plans;
- Pending or proposed equity or debt offerings;
- Significant financial exposure in actual or threatened litigation;
- Major changes in Senior Management;
- Significant changes in dividend policy; and
- Significant pricing changes.

C. Responsibility of Notifications of Dealing

1. Provided he/she is not in possession of inside information, Key Persons may deal in securities of BHC.
2. Key Persons are responsible for assuring their own compliance with all reporting or restrictions with respect to purchases and sales and of other securities law requirements applicable to their purchases or sales of Company securities, including those set forth under the CBB Law and the CBB Market Abuse and Manipulation Module (MAM). In this regard, Key Persons are required to advise BHC for its records on details of the dealing by the end of the next business day following the completion of the dealing.
3. BHC shall immediately file with the Bourse such notifications by Key Persons by using the appropriate form.



4. It is understood that, in accordance with its Guidelines, the Bourse reserves the right to disseminate to the public, the dealing information as per the rules and regulation issued by the CBB.

D. Maintenance of a Register of Key Persons

BHC shall at all times maintain an updated Register of Key Persons containing the following:

1. basic personal data of Key Persons of BHC;
2. Key Persons holdings and interests in BHC; and
3. details regarding dealings by Key Persons in securities of BHC.

BHC shall notify any person of his status as a Key Person of BHC upon his appointment, election or employment in BHC, and procure a declaration of information as required.

E. Notifications to the Bourse on Register of Key Persons

BHC shall submit an updated and complete Register of Key Persons to the Bourse as soon as practicable but not more than 10 business days after the following:

1. the start of trading when it is first listed on the Bourse;
2. the conclusion of its Annual General Meeting; and
3. upon request by the Bourse.

BHC shall further notify the Bourse of any changes to its Register of Key Persons within 10 business days of such change. **Form KP1** should be used for initial filings of the Register of Key Persons with the Bourse; and **Form KP2** should be used for filings of changes to the Register of Key Persons.

F. Availability of Dealing Policy

BHC shall provide a copy of the Dealing Policy to its Key Persons and make its Dealing Policy publicly available on its website (as and when available)



G. Violations and Penalties

1. Any violation of the Dealing Policy by Key Persons employed by or under contract with BHC including, but not limited to, directors, employees, consultants, or contractors, shall be subject to action being taken to terminate their services with BHC. The violation may also result in ineligibility for future participation in BHC's stock-based plans, reprimand and loss of other benefits.
2. Any Key Person may also be criminally or civilly liable, under CBB laws and regulations, and any other laws and regulations issued by any regulatory body in the Kingdom of Bahrain, for:
 - a. Trading on Inside Information and/or gaining profit or avoiding loss for engaging in transactions in Company securities at a time when he or she has knowledge of Inside Information regarding BHC;
 - b. Transactions by any person based upon Inside Information regarding BHC disclosed by a Key Person or upon recommendations or expressed opinions by the Key Person about the purchase or sale of Company securities in reliance upon Inside Information. Penalties may still be imposed on persons who tipped inside information, even when the tipper did not profit personally from the transaction.

H. Key Person Application Forms

1. Type of Application Forms:
 - a. Register of Key Person Form (KP1)
 - Company's Authorized Representative Information (Part 1)
 - Particulars & Holdings of Key Persons (Part 2)
 - Summary of particulars & holdings of Key Persons Register (Part 3)
 - b. Changes to particulars and holdings of Key Persons Form (KP2)
2. Forms' Filling Instructions:
 - a. All Forms attached to this guidelines must be completed by a duly authorized officer of BHC, typically the Compliance Officer, Company Secretary or other authorized



representative of the Company, and submitted to the Bourse both in physical form and electronically to Insiders.register@bahrainbourse.com.bh (in Excel Format).

b. **Form KP1 (Part 1)** "Company's Authorized Representative Information" should be completed and submitted to the Bourse not more than **10 calendar days** as follows:

- after the start of trading when the Issuer is first listed on the Bourse.
- upon the conclusion of BHC Annual General Meeting.
- upon the Bourse's request.

c. **Form KP1 (Part2)** "Particulars & Holdings of Key Persons" Key Persons of BHC refers to members of the BHC Board of Directors, senior management, BHC itself, and such other persons as decided by the BHC Board to have access to inside information relating to BHC 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 expressed or implied) to dispose of, or to exercise control over the disposal of, that security.

Indirect Holdings of securities refer to securities held by individuals upon whom the Key Person can exercise control in relation to the securities, as well as Indirect Holdings of securities held by the Key Person in any other entity if such entity, in turn, holds securities in BHC. Total Indirect Holdings should be shown in this Form.

d. **Form KP1 (Part 3)** should be completed for the purpose of Summary of particulars & holdings of Key Persons. Indirect Holdings, which are shown, in total, in Form KP1 (Part2), should be broken-down by Indirect Holdings of the Key Person in relation to individuals and entities as explained in H.2.c above.

e. **Form KP2** should be completed for changes to BHC Register of Key Persons either due to additions or removals of Key Persons, or changes in the particulars or holdings of existing Key Persons.



استمارة سجل الأشخاص الرئيسيين (KP1)
Form Register of Key Persons (KP1)

Company's Authorized Representative Information (Part 1)

بيانات الشخص المسؤول بالتوقيع عن الجهة الصادرة (الجزء الأول)

Name of Issuer:	اسم الجهة الصادرة				
Submitted by:	مقدم من قبل				
Name	الاسم				
Designation	المسمى الوظيفي				
Issuer's Stamp:	ختم الجهة الصادرة				
Signature	التوقيع				
Date of submission:	تاريخ التقديم				
Day	Month	Year	السنة	الشهر	اليوم



استمارة سجل الأشخاص الرئيسيين (KP1)
Form Register of Key Persons (KP1)

Particulars & holdings of Key Persons¹ - (Part 2)

مفردات وملكات الأشخاص الرئيسيين¹ - (الجزء الثاني)

Particulars / مفردات								
Name الاسم		Designation الاسم الوظيفي		ID Number رقم الهوية				
Nationality الجنسية		Date of appointment تاريخ التعيين		Passport Number رقم الجواز				
Holdings / الملكات								
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
Shares أسهم								
Options خيارات								
Rights حقوق								
Warrants ورانتس								
Others أخرى								
Total المجموع								

يرجى تعبئة هذه الاستمارة لكل شخص رئيسي على حدة¹

الختم والتوقيع

Stamp & Signature: _____

Company's Authorized Representative

المحول بالتوقيع من الشركة



استمارة سجل الأشخاص الرئيسيين (KP1)
Form Register of Key Persons (KP1)

ملخص سجل مفردات ملكيات الأشخاص الرئيسيين² - (الجزء الثالث) (Part 3) - Summary of particulars & holdings of Key Persons Register²

Key Person الشخص الرئيسي	Designation المسمى الوظيفي	Nationality الجنسية	ID / Passport number رقم الهوية/ أجواز	Person under guardianship / Control of Key Person الأشخاص تحت إمامة بالخصم الرئيس		Security type (shares/options/ rights /warrants /others) نوع الورقة المالية (سهم/حيازات/حقوق/بوارنتس /أخرى)	Total holdings مجموع الملكيات
				ID/CR / رقم الهوية التجاري	Name الاسم		

تتم تعبئة هذه الاستمارة من قبل الشخص المعول بالتوقيع عن الجهة المسندة²

الختم والتوقيع

Stamp & Signature: _____
Company's Authorized Representative
لتفويض بالتوقيع عن الشركة



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

Form KP2

استمارة KP2

التفاصيل / Particulars						
Name الاسم		Designation المنصب الوظيفي			ID Number رقم الهوية	
Issuer's Name: اسم الجهة المستدرة		Nationality الجنسية	Date of appointment تاريخ التعيين		Passport Number رقم الجواز	
التحديثات / Changes to holdings						
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 للشركة بالخاصة أو الملائم بالاستئذان	Direct / Indirect مباشرة / غير مباشرة	Number of securities held after changes عدد الأوراق المالية المملوكة بعد التحديث	Percentage of issued share capital (%) نسبة الملاكيات من رأس المال (%)
Shares أسهم						
Options خيارات						
Rights حقوق						
Warrants ورائض						
Others أخرى						
Total المجموع						

يرجى تعبئة هذه الاستمارة لكل شخص رئيسي

الختم والتوقيع

Stamp & Signature: _____
Company's Authorized Representative
للخول بالتوقيع عن الشركة

