MOBILE TELECOMMUNICATIONS COMPANY (ZAIN)

REGULATION OF INSIDER DEALING

1. Introduction

The Capital Markets Authority is responsible for Issuing rules that set out the duties and liabilities of listed companies, their members of the boards of directors, executive management and their Insiders.[1] One of the main responsibilities of the listed companies is to maintain strict confidentiality of Inside Information by taking adequate measures to maintain the confidentiality when dealing with such Inside Information, except as stipulated by disclosure requirements pursuant to the Law and Bylaws. It is also essential for the companies to prepare and maintain effective contractual arrangements that bind any third party with knowledge of Inside Information related to the company or its customers to maintain the confidentiality of that Inside Information and not to misuse it or transfer it, or cause it to be transferred directly or indirectly to other persons, or urge others to deal in securities based on that Inside Information. Moreover, the company shall keep at all times an updated record for insider dealings in the securities.[2]

Based on that The Exchange shall receive the Insiders watch list which will be publicly available on The Exchange's website under the company's profile. The company is responsible for keeping the insider list up to date.

Also, to verify the compliance of the Insiders whose names are included in the list with the provisions of the executive bylaw when dealing in securities. Further, the Exchange shall verify the Insider's obligation to refrain from dealing during restriction periods, and announce all received disclosures.[3]

A Person is considered an Insider in the following cases:

- Members of the Board of Directors, members of the executive management and subsidiary companies who have access to Inside Information related, directly or indirectly, to the Company or its customers.
- Any other Person or entity who is directly linked to the company and holds Inside Information related to the Company or its customers including, but not limited to, the Parent Company, the Auditor, banking firms, advisory firms, Credit Rating Agencies, information technology companies, and entities to which the Company assigns one of its activities.[4]
- Shareholders who are informed by their representatives in the Board of Directors of Inside Information.
- Persons who illegally possess Inside Information of the Company or dealing in securities.[5]

2. Inside Information

- It shall be related to a security or a Listed Company on the Exchange.
- It shall not be available for the public in any manner.

- It shall have a significant effect on the price or dealing of a security if such information is disclosed or provided for the public.[6]

3. Responsibilities of the Insider

- Maintain the confidentiality of the Inside Information of which he becomes aware by virtue of his position, professional, or any personal relationship.
- Refrain from dealing, selling, purchasing or subscribing to equity offerings of Listed Securities in the light of Inside Information which he/she gained access to by virtue of his/her position, or professional/personal relationship. Such inside information shall not be disclosed or used to give recommendations to a third party, and it shall not be circulated directly or indirectly. The insider shall not encourage others to trade in Securities on the basis of inside information.
- To maintain confidentiality of data and information related to customers of the Company, and refrain from utilizing such information for a personal benefit.[7]
- The person shall only disclose dealings of securities of listed companies at which he is considered to be an insider (with access to inside information).

4. Corporate Disclosures Related to Insiders

- Before executing any dealings, Insiders shall disclose to the Corporate Compliance Department at the Company, their intention to sell or purchase Securities of the Listed Company, its Parent Company or any Subsidiary Company if listed in an Exchange. Corporate Compliance Department is responsible for verifying that such actions comply with relevant laws and regulations and overseeing the accuracy and completeness of disclosures. Such disclosure shall contain the name of the Insiders and of minors who are under their custody intending to execute such transaction, the position they hold in the Listed Company, quantity and nature of the Securities to be traded, type and date of the transaction.
- Insiders shall disclose to the CMA, Exchange, and the Company any dealings in the securities of the Company, its Parent Company, or subsidiary within 2 business days starting from the date of the dealing and no later than the third day's trading session in accordance with appendix 6 of module 10 (disclosure and transparency) of the CMA executive bylaws. immediately after the completion of such transaction in accordance with form number 7 of Module 10 of the executive bylaw.[8]
- The rules of disclosure and the restriction periods for dealing securities do not apply on the spouse and second degree relatives (with the exception of minors who are under the custody of the insider).

5. Corporate Insiders Watch List

The Company shall prepare a list of its Insiders as per form number 5 of Module 10 of the executive bylaw, and submit it to the CMA and the Exchange taking the following into consideration:

- To name its Insiders in a Listed Company as shown in Article (3-1-2) of Module 10 of the executive bylaw.
    a. To enact effective contractual arrangements that require other Insider entities to maintain a list of employees who have access to Inside Information related to the Listed Company and its customers.
    b. To enact effective contractual arrangements that require other Insider entities to provide the Listed Company with a list of employees who have access to Inside Information related to the Listed Company and its customers, when needed.
- The Listed Company shall update the corporate Insiders watch list and submit to the CMA and the Exchange an updated list upon the occurrence of the following events:
    a. When the reason behind listing an existing Person is changed.
    b. When a Person, who is not mentioned in the list, becomes an Insider.
    c. When a Person who is mentioned in the list no longer holds Insider status.[9]

6. Insiders Undertaking

The company shall get an acknowledgment from all its Insiders as per the following:

- Insiders in the Company are aware that they hold Inside Information related to the company and its customers and that they are included in the Insiders Watch list.
- Insiders are liable for the legal consequences of exposure to Inside Information of the Company and its customers, and they are fully aware of the consequential penalties of misuse or improper handling of such Inside Information.
- Insiders in the Company shall notify the Company of any dealings in its Securities, or those of the Parent Company or any Subsidiary Companies, before and after executing those dealings.[10]

7. Dealing Based on Inside Information related to an Acquisition Offer

Except for dealings by the buyer, an Insider may not deal in shares of the target company, its subsidiaries or parties with whom they are acting in concert. This prohibition also includes dealing in the shares of the buyer or its subsidiaries or with whom they are acting in concert.[11] Moreover, Insiders with nonpublic information related to an offer are prohibited from making recommendations to any other party concerning related shares..[12]

8. Dealings Executed by Corporate Insiders in a Listed Company

- If an Insider in a Listed Company deals the Securities issued by the company as a proxy, guardian or custodian.

- If Insiders and minors under their custody directly or indirectly own 50% or more of the capital of a listed company, or control more than 50% of its voting rights, deals in the securities issued by the corporate entity.
- If a corporate entity deals in the securities of a listed company while one of its employees is a member of the Board of Directors in that listed company.
- Dealings performed by the staff of the governmental or regulatory authorities which receives Inside Information concerning the listed company.[13]

9. Cases of Dealing while Possessing Inside Information

- If the Insider sells or purchases a security while possessing Inside Information related to such security.
- If the Insider sells or purchases on behalf of another Person.
- If the Insider assigns another Person to sell and purchase on his/her behalf thereof.
- If the Insider exploits accounts of other Persons to conduct transactions of selling or purchasing.
- If the Insider is an employee working for a Licensed Person and has Inside Information regarding the intention of a customer to trade in a Security, consequently the insider enters orders for the same security before the orders of the customer are entered, in order to achieve a benefit for the him/herself or others.
- If the Insider sells or purchases a security based on Inside Information concerning a Merger project or an Acquisition Offer on the same Security, excluding cases in which it is permissible to sell or purchase in accordance with the provisions of Module Nine (Mergers and Acquisitions) of the executive bylaw.
- If the Insider discloses Inside Information or gives recommendations to another Person, based on Inside Information.
- If any Person sells or purchases a Security, based on Inside Information acquired thereby from an Insider and such Person is aware of the nature of this information, in order to achieve any personal benefit for him/herself or another.[14]

10. Legitimate Cases that do not amount to Dealing while Possessing Inside Information

The Insider shall not be deemed as guilty of the crime set forth in Article (118) of the Law in the following cases:

- If the Insider is selling and purchasing to execute orders for another Person according to his/her job, without revealing the Inside Information possessed thereby.
- If the Insider is selling or purchasing in accordance with a court judgment.[15]

11. Dealing Restriction Periods

- Each Insider in the Listed Company is prohibited from dealing in Securities Issued by the company during the periods set out below:
  - Ten Business Days before the end of each quarter of the financial year until the announcement of the financial results for that period.
  - Ten Business Days before the end of the financial year until announcement of the financial results for that period.
- An Insider may trade in the Securities Issued by the Company during the restriction periods set out above after obtaining approval from the CMA.
- An Insider may trade in the Securities Issued by the Company during restriction periods in the following cases:
  - Transfer of ownership as a result of inheritance or will.
  - Transfer of ownership pursuant to a judicial judgement.
  - Transfer of ownership among the investment portfolios managed by the licensed persons, and for the best interest of the security owner.
  - Transfer of ownership among Relatives.
  - Subscription on Pre-emptive Rights of Securities.
  - Purchase or the transfer of ownership of the required number of shares to guarantee membership of the BOD pursuant to the company's memorandum and articles of association.
  - Transfer of ownership to settle a debt with a financial institution.
  - Entering into a Merger or Acquisition Offer.
  - Entering into public auctions to sell or buy not less than 5% of the capital shares of a listed company.
- Apart from the restriction periods set out above, Insiders in the Company may trade in the Securities issued by the company if they do not hold Inside Information.
- Apart from the restriction periods set out above and taking into consideration the provisions of the percentages permitted for a person with a controlling interest at a Listed Company as set out in Article (3-6) of (Chapter Three: Acquisition) of Module Nine (Mergers and Acquisitions) of the executive bylaw. Insiders with controlling interests in the Company may deal in Securities issued by the company if they do not hold Inside Information.[16]

12. The Crime of Dealing while Possessing Inside Information

- A punishment by imprisonment for a term not exceeding five years and a fine of not less than the amount of the benefit achieved or losses avoided or an amount of ten thousand Dinars – whichever is higher – and not more than three times the benefit achieved or losses avoided or the amount of one hundred thousand Dinars – whichever is higher – or by either of these two penalties, shall be incurred by any Insider who sold or purchased a Security while in possession of Inside

Information regarding the same, or disclosed Inside Information or gave recommendations based on Inside Information to another Person.

- The same penalty shall be applied to any Person who purchased or sold a Security based on Inside Information obtained from an Insider, while being aware of the nature of such information, for the purpose of realizing any benefit for him/herself or others.