



# **Policy and Controls of Insider Trading Prevention**

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## **Chapter (1): Preliminary Provisions**

### **Article (1): Introduction**

This Policy has been prepared to clarify the concept of insider information that affects the price of Alinma's traded securities, the concept of trading based on insider information, as well as necessary regulatory controls to prevent trading based on insider information. The aim is to achieve the principle of fairness, protect the market, safeguard investors from illegal practices and unfair gains, and prevent any impact on the Alinma's reputation, as provided for in the rules and regulations issued by the CMA.

### **Article (2): Purpose**

This Policy outlines necessary regulatory controls to prevent trading based on insider information for the Board members, committees, and all parties having access to any of this information from related parties. Insider information includes all internal information that affects the trading price of Alinma's securities.

### **Article (3): Definitions**

The following words and expressions shall have the meanings set against each of them, unless the context otherwise requires:

<b>Abbreviation</b>	<b>Definitions</b>
Alinma	Alinma Bank
Board	Alinma Board of Directors.
CMA	Capital Market Authority.
Alinma Staff	Members of the Board of Directors and its committees, executives, employees (full-time/contracted/outsourced), and consultants.
Policy	This Policy "Policy and Controls of Insider Trading Prevention".
Person	Any natural or legal person recognized as such by applicable rules of the Kingdom.
Related Parties	Members of the Board of Directors and its Committees, Secretaries, senior executives, and any person obtaining insider information

Abbreviation	Definitions
	through a family, contractual or business relationship with any insider.
Insider Information	Information obtained by an insider, which is not available to the public or has not been disclosed. Such information is of the type that a normal person would realize that, given its nature and content, its release and availability would have a material impact on the price or value of a security related to such information. The insider knows that such information is not available in the public domain and that, if available, would have a material impact on the security's price or value.
Security	The security traded in the market, as well as shares and Sukuk issued by Alinma and traded in the capital markets. It represents a certificate that gives its holder the right to receive a predetermined portion of the return (in case of Sukuk and preferred shares) or to participate in the total return achieved by Alinma (in case of ordinary shares).

## **Chapter (2): Disclosure and Trading Based on Insider Information**

### **Article (4): Insider Information**

Insider information includes (but is not limited to):

1. Information related to reports, financial statements and profits before official publication.
2. Administrative information on changes to the Board of Directors and the Executive Management (resignation and appointment).
3. Information related to mergers, acquisitions, sales and disposals.
4. Influential and large-scale investments and issuances.
5. Any other sensitive insider information that has material impact on the security price.

### **Article (5): Insider Trading**

1. A security related to insider information should be a traded security.
2. No person may be allowed to purchase or sell Alinma's security based on information obtained from an insider while knowing that such person has committed a violation by disclosing such information.
3. Any person who obtains, through family, business, or contractual relationship, insider information shall be prohibited from directly or indirectly trading in Alinma's security or disclosing such information to another person with the expectation that such person will trade in such security.
4. Cases in which trading is considered a direct trading based on insider information:
  - a. Executing a transaction on a security for any account where a personal interest is realized;
  - b. Making a purchase or sale offer of the security in the market.
5. Cases in which trading is considered an indirect trading based on insider information:
  - a. Executing a transaction in his capacity as an agent for another person;
  - b. Arranging a transaction in which one of the parties thereto is a relative or with whom he has business or contractual relationship.
  - c. Arranging and directing the agent or any other person to trade in such securities.

### **Article (6): Disclosure of Insider Information and Prevention of Insider Trading**

Any related person or party who has accessed insider information shall be prohibited from disclosing such information to any other person who is, or should be, aware that this other person may trade in the security related to the insider information. Likewise, any related person or party who obtained insider information from an insider shall not disclose such information to any other person who is, or should be, aware that this other person may trade in the security related to the insider information.

**Article (7): Trading shall be deemed insider trading if made directly or indirectly on the security related to Alinma's information if executed by any of the following persons:**

1. Related Parties.
2. Officials having access to financial information and statements that have a material impact on the price and value of Alinma's security.
3. Officials having access to strategic decisions related to mergers, acquisitions, sales, or disposals or investment decisions having a material impact on the price and value of Alinma's security.
4. External Auditors who have access to sensitive insider information.
5. Staff of service providers with access to sensitive insider information.
6. Other employees who, by virtue of their positions, have access to sensitive insider information.

## **Chapter (3): Applicable Policies and Regulatory Controls**

### **Article (8): Policies, regulatory controls, and procedures to restrict access to insider information**

1. Maintaining the confidentiality of sensitive insider information and prevent access to such information by unauthorized persons.
2. Prevention of the disclosure/circulation of any sensitive insider information in any way whatsoever to any unauthorized person.
3. Prevention of the exploitation of insider information in insider trading in order to maintain Alinma's reputation and the fair price of its security.
4. Protecting Alinma and related parties against the risk of exposure to any consequences or control measures resulting from the insider information leakage and exploiting it in insider trading.
5. Reviewing significant and sensitive powers periodically by Alinma officials.

### **Article (9) Applicable Policies and Controls**

1. Any of Alinma's internal policies and regulations related to the prevention of insider trading.
2. The Code of Ethics and Conduct, which enhances ethical principles and standards to be followed by related parties, including reservation of sensitive insider information, prevention and reporting of insider trading and an acknowledgment by all concerned persons to comply with ethical principles and standards provided for therein.
3. Compliance Policies, Information Security/Cybersecurity Policies, and Counter Fraud Policy.
4. Clean Desk Policy, document archiving and avoid taking them outside Alinma.
5. Training and Awareness programs, which contain materials on insider information and prevention of insider trading.
6. Internal Control Systems, such as segregation of duties and dual control.
7. Restricting access to departments, sections and offices to authorized persons only, especially those related to insider information and other confidential information.
8. Non-Disclosure Agreements concluded between Alinma and other parties (External Auditor, suppliers ... etc.).

## **Chapter (4): Obligations of Insiders and Penalties Related to Insider Trading**

### **Article (10): How Insider Trading is conducted**

When an insider, such as a board member, executive, or employee of the external auditor of the bank that issued the security related to the insider information, or any employee or member of Alinma's committee, or someone who gets insider information through a family relationship—including a relationship with the person who obtained insider information—or a business or contractual relationship trading directly or indirectly based on that insider information, it is considered that trading was concluded based on insider information. It also covers direct or indirect trading by non-insiders based on insider information that they have obtained from another source and know or should have known was insider information.

### **Article (11): Duties and Responsibilities of Insiders and Related Parties**

1. Protection of insider information and avoid transmitting or disclosing it before its official disclosure by Alinma.
2. Insider trading is prohibited as it constitutes a criminal offense punishable under Saudi laws as well as a breach of trust and responsibilities towards shareholders.
3. Trading during the lock-up period identified by the CMA is prohibited. The concerned persons shall be liable for being aware of lock-up periods and adhering thereto.
4. Employees should immediately report any violation to this Policy and other policies to the Whistleblowing Unit/Compliance and Anti-Financial Crimes Sector.

### **Article (12): Penalties resulting from Insider Trading and violating this Policy**

1. Under the Capital Market Law and its Implementing Regulations, Alinma shall have the right to file a case against anyone who violates this Policy before the Committee for the Settlement of Banking Disputes to issue a resolution containing the appropriate sanction, which may reach a term of up to five (5) years' imprisonment.
2. Disciplinary and administrative actions in accordance with Alinma's internal regulations.