
Code of Conduct and Ethics

1. Business Code of Conduct and Ethics

1.1. Policies

- In the following rules, any word referring to the singular form shall include the plural and vice versa, and any word that points to the masculine form shall include the feminine and vice versa.

1.2. What are the Code of Conducts and Why?

- The Conduct is the activity expressed by the individual through his relations with the persons around him, and the rules of Conduct are a set of principles and standards designed to ensure integrity, transparency and accountability in all matters which pertain to Bahrain Bourse, including the employees, the clients, and such rules are legally binding.
- The aim of these instructions is to demonstrate the rules of job conduct, including the establishment of job discipline, transparency, integrity, objectivity, efficiency, loyalty and effectiveness in the conduct of the employees of the Bourse in the course of performing their duties and job tasks entrusted to them.
- The rules also aim to instill the morals in the employee and incite him to distance himself from the suspicions that could cause damage to the job's dignity and prestige. They also aim at directing the employee to the necessity of presenting quick services at high quality to the clients as well as the investors at the highest standard of professionalism and neutrality, and in such a manner that does not prevent encouraging the beneficiaries of the Bourse services to report any violations of these rules by the staff of the Bourse, given that it is the nature of the consolidation of these behavioral and ethical rules to achieve the vision and mission of the Bourse and establish the concept of rational management and enhance job performance and behavior of the employees and reward the diligent and hardworking employee and calling the defaulting one to account and improve the image of staff of Bahrain Bourse.

1.3. Basic Values of the Code of Conduct

- The basic values of the Code of Conduct represent the high values of the Bourse which guarantee and ensure that the Bourse exercises its powers and performs its role in an honest and objective manner and enhances the confidence of all parties relevant to the work the Bourse. In order to achieve this noble objective, the Bourse and its employees are committed to the following principles and values:

1. Transparency

- This value means that the Bourse would announce its mission, purpose and policy and the standards used and its application the principle of accountability within the laws and regulations in force in the Kingdom.

2. Integrity

- This value means that all employees of the Bourse must be above all suspicions, and that their professional conducts would be blameless and would not be tarnished by any flaws or faults. The integrity of the employees can be measured on the basis of the intent of the act and to what extent it relates to or stays at distance from the tendencies and personal interests. The principle of integrity requires a commitment to rise above bias to any political, social or

sectarian trend, and not to employ the Bourse works and legal powers for the benefit of any party at the expense of any other party.

3. Honesty & Rightness

- This value means the honesty and sincerity and being characterized with every good and praiseworthy morals, which requires that the Bourse and its employees would perform their professional duties in all honesty, impartiality, neutralism and responsibility, and at the same time being committed to the laws and regulations in force in the Kingdom.

4. Neutrality Objectivity

- The principle of neutrality and objectivity is considered as an essential and fundamental element in order to enhance the confidence of the Society in the work of the Bourse. The Bourse adopts such principle through its commitment to practicing its competences in all neutrality and integrity and transparency. From the point of view of the Bourse, objectivity means the commitment of all employees with the laws and legislations and professional circulars and standards, in order to become able to act in high objectivity and professionalism.

5. Justice & Equality

- This value means that the Bourse shall be committed to deal fairly with all parties, and nobody has the right to get benefit in an unfair manner from any other person through manipulation or concealment of information or misuse of secret information or distortion of facts or any other similar acts and unfair practices.

1.4. Values of Professionalism to the Conduct Rules

- The rules of the job conduct provide for the necessity that all employees of the Bourse would enjoy high professional efficiency that qualifies them to assume the duties and responsibilities entrusted to them in the most perfect manner. In order to achieve such objective the Bourse and its employees shall commit themselves to the following rules:

A. Familiarity with Professional Standards

- The Bourse and its employees commit themselves with the necessity of being familiar with the professional standards and their application as much as possible during the performance of their job functions. The standards to be observed by the employee are those standards issued by the Central Bank of Bahrain given the Bourse is subjects to its control, in addition to the policies and regulations issued by the Bourse.

B. Exertion of Professional Due Diligence

- The Bourse and its employees must exert professional due diligence when performing the tasks entrusted to them through compliance with the laws and legislation and professional standards relevant to the work of the Bourse, in addition to all the directives and circulars issued by the top management of the Bourse.

C. Continuous Learning and Self-Qualifying

- The Bourse encourages its employees for continuous learning and to get higher degrees or specialized professional certificates and it puts the material as well as moral incentives necessary

to achieve such values. On the other hand, the employee must be committed to continuous learning and to develop himself in the scope of his work throughout his career. The employee is responsible for updating his knowledge and improving his skills in order to carry out his professional duties in a perfect manner. Accordingly, the Bourse is committed to provide training and all resources necessary for this purpose.□

D. Working Hours

- The official working hours are fixed and intended to accomplish work pertaining to the Bourse and carried out by the concerned employee, each in his own specialization, in professionalism, accuracy, honesty and sincerity. Accordingly, the employee has to devote all working time for performing his job duties, and should not derive advantage of that time to accomplish personal business, and he has to observe the working hours and make sure that they are not wasted in private and personal issues without being utilized in carrying out the work.

E. Professional Secrecy

- The professional secrecy means that the Bourse business, including all data, information and documents which he employee knows about during carrying out his job duties, are secret business and all employees are strictly prohibited to disclose the information and data related to them, and such prohibition shall continue to exist even after the employee leaves the service at the Bourse.

F. Maintaining Instruments, Documents & Records

- The Personnel of the Bourse shall commit themselves to maintain all instruments, documents and records that are in their custody. They must also take care of the permanent files and files of working papers and to keep them in accordance with the rules and procedures of the Bourse, and the employee may not destroy such instruments and documents except after obtaining written approval from the competent authority in the Bourse.□

G. Providing Opinions and Advices to Others

- The Bourse aspires to enhance the positive cooperation with the government and private agencies. However, to avoid any conflict of “fatwas” and advices that can be attributed to the Bourse, the staff may not provide technical views relating to the work of the Bourse, and the employee has to direct such parties to seek opinion and advice by means of an official letter addressed to the Bourse.

H. Dealing with Media & Public Appearance

- The “Public Relations” Department shall assume the responsibility of responding to all requests and queries receive from the media and related to the Bourse, as such department shall take care of commenting on the questions received from the media, either formally or informally, or by provide them with printed matter for publications. This includes all press or public statements on behalf of the Bourse. Likewise, the employees may not take part in any media activity with the clients or suppliers or any other person with respect to the Bourse or to enter in an agreement to do so. Furthermore, no written or electronic material may be published or displayed as well as giving lectures or interviews or appearing in public activities where the name of the Bourse is mentioned without obtaining prior consent of the competent authority in the Bourse.

I. Use of Resources

- The employee at the Bourse shall be responsible for maintaining all property and materials and information which are in his custody or under his control and not use them for any purpose other than what is provided for in writing, or by virtue of the law. Likewise, the communication systems of the Bourse, including the e-mail, computers and the Internet, telephone and fax shall only be used to carry out his job duties and in accordance with the Bourse policies and regulations and in conformity with the relevant laws.

J. Preservation of the Company Assets

- The Bourse shall provide all office devices and equipment and official stationary which the employee needs to accomplish his job duties. The employee has to take care of such devices and equipment, and to use them in a proper manner to carry out the work entrusted to him, and to use them in private or personal business.

1.5. Personal Values of Conduct Rules

The rules of the conduct include the following:

1. Conflict of Interests

- All employees of the Bourse must avoid the conflict of interests during their work in the Bourse, whether in the technical or administrative jobs. To achieve such target, the employee must refrain from accepting any commissions, either by himself or through a third party. He is equally prohibited to practice any commercial or professional business or to have direct or indirect interest in any business or tenders related to the work of the Bourse.

2. Faithfulness and Loyalty to the Homeland

- The employee of the Bourse must have faithfulness and loyalty to the homeland, and should not cause harm in any way or form to the homeland or its symbols and icons, and should abide by the rules and principles of the Constitution of the Kingdom of Bahrain and its laws.

3. Belonging to Political or Professional Organizations

- The employee of the Bourse may not join any of the societies or associations or organizations which are prohibited in the Kingdom. As for the legitimate political or professional organizations, joining them must be associated with the knowledge of the Bourse, provided that it won't conflict with the employee's independence, impartiality and objectivity upon practicing his work. It is strictly forbidden to participate in any unauthorized gatherings at any time including the official holidays, or at any place either inside or outside the Kingdom.

4. Respect of "Customs & Traditions" in the Society

- The employee must respect and observe social and cultural "customs and traditions" of the Bahraini society. He should also observe the religious rituals in the Kingdom, and be careful not to underestimate or belittle or ridicule such rituals, customs and traditions.

5. Public Health

- The employee must take care of his good appearance and the public health inside as well as outside the Bourse, and should also abide by the proper actions and decent and good treatment.

1.6. Our Commitment towards our Clients

- You must put the interest of clients of the Bourse in an advanced and prime place, and provide them with excellent services, and act always with the highest standards of probity and integrity.
1. Confidential Nature of the Customer Information
 - The Bourse is committed to protecting the personal and secret information of its clients and to use such information in an appropriate manner to achieve that end. The Bourse is keen to update their systems and technology and to train its staff on a permanent basis, and it strives to protect the personal and confidential information of its customers in such a way that allows them to choose appropriate services in a better manner that meets their requirements and their financial objectives. All employees have to protect all personal and confidential information of the customers and make sure that only the authorized persons would have access to the customer information.
 2. Fair Treatment
 - The Bourse is committed to provide its customers with all its services in a fair manner, and to its decisions on fair and just criteria, without any discrimination based on race, gender, religion, or any other factors.
 3. Combating Money Laundering
 - Money laundering is a considered as a global problem with grave results and consequences. The money laundering process is defined as the process of converting the illegal proceeds into funds which appear as legal and could therefore be entered in the diversified business operations. The Bourse and its employees have to act in serious manner to prevent the use of their transactions and services to help in the laundering operations and to detect the reservations related therein and to report such operations in order to achieve this end. The anti-money laundering international organizations have developed certain standards to protect the financial institutions from using the money laundering operations of the revenues originating from prohibited activities. The Bourse plays a key role in adopting and promoting the principles of anti-money-laundering, and to bring to explain the role that can be played by the financial institutions to prevent the financing of terrorism.
 4. Gifts and Entertainment
 - The employees must not take advantage of their jobs to accept any gifts or hospitality of any kind that exceeds the amount of BD 100 (One Hundred Bahraini Dinars), either directly or through an intermediary, which may have a direct or an indirect impact on his objectivity in the implementation of his job functions or that would affect his decisions, or may otherwise force him to get engaged or committed with something in exchange of accepting them. Likewise, it is strictly forbidden to request any gifts or hospitality or personal benefits. If the employee found himself in a position where he cannot reject the gifts or hospitality or other benefits that do not fall under the mentioned cases, or when he views that the acceptance of certain types of hospitality will be beneficial to the body that presented it, then the employee has to bring such information to the Head of the Department in writing, and the Head of the Department in turn has to relay the information to the CEO of the Bourse in writing, requesting his opinion whether to refuse the gifts or hospitality or other benefits or to keep them by the

Department or to donate them to a charity or dispose of the or that they would be retained by the concerned employee.

1.7. Our Commitment towards Each Other

- The employee must respect his superiors and colleagues at work, and to act in tactful, diplomatic, wise, objective neutral and impartial manner during addressing them orally, in conformity with the requirements of social tradition and professional practices.

1. Dealing with Superiors

- To adhere to the implementation of the orders of superiors and their directives and instructions in accordance with the administrative Sequence, and if those orders and instructions were in violation to the rules and regulations, then the employee has to inform his boss in writing about such violation, and not to commit himself to the implementation of these orders and instructions unless they are confirmed by the boss in writing., and in such case he must inform the Director of the Bourse about the violation. In all cases, the employee should refuse to carry out instructions if their violation constitutes an offense or a misdemeanor or a felony punishable by the Penal Code or any other legislation, and inform the Director of such development.
- To deal with the superiors with respect and not to try to gain any preferential treatment through the methods of flattery or deception or through mediation and nepotism.
- Not to deceive or mislead the superiors and to refrain from hiding any information related to his work in order to influence the decisions or to obstruct the work, and the employee must cooperate with his superiors and to provide them with his opinion, advice and expertise in all objectively and honestly and to put at their disposal the information in its possession for the benefit of work.
- To Inform the Head of the Department for any violation or breach, or difficulties encountered within the scope of work.
- To inform the immediate supervisor, who was recently appointed, in a complete and accurate manner of all subjects and documents, including the outstanding matters to ensure the continuity and progress of business.

2. Dealing with Colleagues

- To deal with respect and courtesy and sincerity with co-workers, and to maintain proper and friendly relations with them without discrimination, and to stress the respect their privacy and refrain from exploiting any information about their private lives with a view to harm them.
- To cooperate with his colleagues and to let them share his opinions in a professional and objective manner, and to provide them with assistance wherever possible to solve the problems facing them within the scope of work and to be concern with the dissemination of the positive trends among colleagues to help promote the performance of work and improve the environment
- To refrain from any unethical acts or practices which violate public morals and proper conduct and to commit himself to respect the “woman” as a colleague and business partner and vice versa

3. Dealing with Subordinates

The Head of the Department shall:

- Develop the capacities of his subordinates and help them and motivate them to improve their performance and to be a good example for his subordinates to by complying with the prevailing laws and regulations and instructions.
- Transfer knowledge and experience which he gained through his career to his subordinates and to encourage them to increase the exchange of information and transfer of knowledge among them.
- Supervise his subordinates and hold them accountable for their actions and to evaluate their performance objectively and impartially, and to seek to provide training and development opportunities to them in accordance with the relative regulations and instructions.
- Reject any pressures from a third party that may result in dealing with his subordinates in a preferential manner.
- Respect the rights of his subordinates and to cooperate with them while demonstrating professionalism without any discrimination.
- Observe that the directives addressed to subordinates shall be in writing, in case he receives a handwritten note from his subordinates indicating that his orders or directives are in violation to the regulations.

1.8. Our Commitment towards You

- The Bourse promises to create and produce a proper working environment that provide all employees with all requirements that enable them to achieve their job ambitions, in conformity with the following:
 - 1 - To inform the staff and let them familiar with the rules of job behavior and its core values and informing them that the correct and proper moral conduct is a duty and obligation and is considered as a part of the way by which they carry out their work.
 - 2 - To deal with the employees in fairness and equity without any unjustified discrimination.
 - 3 - To create safe and fair and proper working conditions for the employees to meet the basic needs and their personal and practical requirements.
 - 4 - To promote the spirit of initiative and innovation among the employees, and to provide the mechanisms that encourage them to submit the proposals pertaining to the improvement and development of the various aspects of work in the bourse.
 - 5 - To encourage the employees for connections and communications open for discussions that focus on the positive sides to solve the related issues that attract their attention while performing their job functions and to try to find the adequate solutions for them.

1 - Bonuses and Incentives

- In order to encourage the employees of the Bourse to abide by these rules, and based on the Bourse's belief in the necessity of rewarding the employee who adheres to the provisions of the laws and regulations and the rules which organize the employees' conduct in the Bourse, by granting him an incentive bonus if he fulfilled its requirements in accordance with the systems approved by the Bourse.

2 - Disciplinary Sanctions

- If the employee committed a violation to the laws and rules and instructions and decisions in practice at the Bourse, and the present Code of Conduct, or in respect of their application, or if the employee embarked on an act or action the nature of which is to prejudice the responsibilities and powers entrusted to him or obstructing or disrupting his or her duties, he would be surmised by the sanctions set forth in the “ HR Manual of Policies and Procedures as applied in the Bourse.

1.9. Reporting and Inquiry

- If you got any suspicion that there is something illegal or was requested to do anything which you believe to be illegal and inappropriate or may lead to conflict of interest in a direct or indirect manner, or use funds for illegal purpose or suspicion of money laundering or the financing of terrorism and conflicts with the content and document of the rules of conduct in the Bourse, and it involves violation of the laws, regulations, decisions and procedures applied in the Bourse, you have to raise this issue as quickly as possible with the immediate superior, and if not possible, submit the matter to the concerned Head of Department or to the CEO of the Bourse, who in turn take appropriate action, either by referring the matter to the Legal Affairs in the Bourse or the relevant committee to investigate the matter, and this is done confidentially and without delay, and the employee who knows about a certain even though it is not related to him, he has to raise it, provided that:

- 1 - That he should be in possession of a proof (or proofs) about to the issue raised, whether criminal or prohibited activities.
- 2 - That he believes there is abuse or promiscuous behavior or an obvious violation.
 - 3 - Such matters would be raised in good faith.

- If it were found that there is bad faith involved in such reporting, then the employee who made the report would assume all the responsibilities arising from such action.

Enquiry:

The Bourse encourages all staff at all levels of management to do not hesitate to inquire and ask for advice with regard to the application of codes of conduct and work performance and work with others from Immediate in Charge or Senior Director.

1.10. Conclusion

The Bourse aspires at achieving the highest level of ethical as well as professional conduct in work. The Top Management of the Bourse underlines the necessity of getting acquainted with such rules and abidance of all the staff by these rules of conduct and core values and introducing the highest possible level of services to all members and clients. The Top Management is committed to rewarding hard-working employee and the calling to accountability of defaulting one, in order to achieve the vision and mission of the Bourse and to consolidate the concept of good management and enhance the job performance and behavior of the employees.