

Fawaz Abdulaziz Alhokair & Company

INSIDER TRADING POLICY

July 2012

Introduction

Fawaz Abdulaziz Alhokair & Company and its subsidiaries (collectively, “Alhokair” or the “Company” or “We” or “Us”) are committed to the principles of fair and open markets for publicly traded securities.

This Policy aims to define and establish the Company’s position and rules with respect to :

- **Prevention** of trading of securities by Insider (Refer Definitions)
- **Maintenance** of confidentiality of Inside Information (Refer Definitions)
- **Adherence** to the provision of Article 50 of the Capital Market Law in particular and strive to achieve the best practices.

Anyone violating these laws is subject to personal liability and could face criminal penalties. Alhokair takes seriously our obligation, and that of our partners and employees, to prevent insider trading violations. In light of the severity of the possible sanctions, both to you individually and to us as a company, we have established this Insider Trading Policy to assist all of us in complying with our obligations. Any violation of this or any other Company policy could subject you to disciplinary action, up to and including termination of employment.

This policy is not intended to replace your responsibility to understand and comply with the applicable laws and regulations on insider trading.

If you have specific questions regarding this policy or the applicable law, contact Mr. Haroon AlMutairi, the Board Secretary at haroon@alhokair.com.sa, or call him at +966506358088.

Definitions

1. **Insider** means any of the following:

- 1.1. a director, a senior executive or any other employee;
- 1.2. a person who obtains inside information through a family relationship and or through a Relative, including from any person related to the person who obtains the information;
- 1.3. a person who obtains inside information through a business relationship, including obtaining the information:
 - 1.3.1. from Alhokair related to inside information;
 - 1.3.2. from any person who has a business relationship with the person who obtains the information; or
 - 1.3.3. from any person who is a business associate of the person who obtains the information;
- 1.4. a person who obtains inside information through a contractual relationship, including obtaining the information:

- 1.4.1. from the Alhokair related to inside information; or
 - 1.4.2. from any person who has a contractual relationship with the person who obtains the information.
2. **Insider Information** means information that fulfils the following:
- 2.1. information that relates to a security;
 - 2.2. that has not been disclosed to the general public, and that is not otherwise available to the general public; and
 - 2.3. that a normal person would realize that, in view of the nature and content of the information, disclosing it or making it available to the public would have a material effect on the price or value of the security.
 - 2.4. Examples includes but not limited to Periodical financial results of the Company, Intended declaration of dividends, Business Plan or Forecasts, Any major expansion plan, New security or debt or buy-back of security offerings, News of a pending or proposed amalgamation, merger or takeovers, Significant acquisitions or divestment, Significant exposure due to actual or threatened litigation, Impending bankruptcy or financial liquidity problems, Changes in senior management, Gain of a significant client, Changes in earnings estimates, Early termination of a significant franchise contract, Changes in the Company's Prospects, any Change in policies, plans or operations of the Company
3. **A security** related to inside information shall mean any security whose price or value would be materially affected if the information was disclosed or made available to the general public. A security related to inside information must be a traded security.
4. **Trading in a Security** shall constitute insider trading, if it directly or indirectly effects trading in a security based on insider information.
5. **Direct trading in a security:** A person shall be considered directly trading in a security in any of the following two situations:
- 5.1. if he/she executes a trade in the security for any account in which he has an interest; or
 - 5.2. if he/she makes a bid or offer on the Exchange for the security.
6. **Indirect trading in a security:** A person shall be considered indirectly trading in a security in any of the following situations:
- 6.1. if he/she executes a trade as agent for another person;
 - 6.2. if he/she arranges a trade to which a relative or person with whom he has a business or a contractual relationship is party; or
 - 6.3. if he/she arranges for his agent or any other person acting on his behalf or at his direction to trade in the relevant securities.
7. **Relative:** Husband, Wife and minor children
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Prohibition of disclosure of Insider Information

Maintaining the confidentiality of Alhokair information is essential for compliance with Capital Market Law and for security, competition and other business reasons. An insider is prohibited from disclosing any inside information to any other person, not covered specifically by this policy, when he knows or should have known that it is possible that such other person may trade in the security related to the inside information.

Employees must treat all information they learn about the Company or its business plans in connection with their employment as confidential and proprietary to the Company. Inadvertent disclosure of confidential information or non-public information may expose the Company and its Employees to significant risk of investigation and litigation. Accordingly, Employees should be prudent with confidential information and not discuss it in public places where it can be overheard, such as restaurants, social gatherings, public transportation and airplanes. Further, discussion of confidential information should be discouraged on cellular or other wireless devices. Employees must, at all times, refrain from providing advice or making recommendations regarding the purchase or sale of Alhokair securities.

The timing and nature of the Company's disclosure of material information to outsiders is subject to legal rules, the breach of which could result in substantial liability to Alhokair and its Employees. Responses to inquiries about the Company by the press, investment analysts or others in the financial community must be made on the Company's behalf only through authorized individuals.

Prohibition of disclosure of Insider Information

An insider is prohibited from engaging in insider trading.

Blackout Policy - Prohibition of dealings by directors and senior executives

The directors, senior executives of Alhokair, any Insider and any person related to them may not deal in any securities of Alhokair during the following periods:

- during the 30 calendar days preceding the end of the financial quarter and until the date of the announcement and publication of the reviewed interim financial statement of Alhokair; and
- during the 30 calendar days preceding the end of the financial year and until the date of the announcement of Alhokair's annual financial statements.

Procedure for dealing in the securities of the Company

- **Pre-clearance of trading in securities**
 - All directors, officers and employees who intend to deal in the Securities of the Company shall pre-clear the transaction as per pre-dealing procedures as described below.
- **Procedure for Pre-clearance of trade**

- An application shall be made in writing or by email communication to Board Secretary, by the concerned person who intends to trade in the securities Alhokair.
- Along-with the application/communication, the concerned individual shall also provide an undertaking as below:
 - The concerned person do not have any access or has not received any “Insider Information” upto the time of signing the undertaking
 - If the person gets access to or receives any “Insider Information after the signing of the undertaking but before the execution of security transaction, he/she shall inform the Board Secretary and shall refrain from dealing in securities till the time such “Insider Information” becomes public.
 - He/she has not contravened with the Insider Policy or any other policy related to disclosure of securities.
 - He/she has made full and true disclosure on the matter.
- **Validity of Pre-Clearance**
 - The Board Secretary shall formally communicate, in writing, his clearance to deal in the transaction.
 - The concerned person shall perform the transaction in security within one week of the pre-clearance obtained from the Board Secretary. Failure to perform the transaction within one week shall render the pre-clearance null and void and the concerned person shall again apply for the pre-clearance
- **Holding Period of Securities**
 - Any director or senior executive who trade(buy/sell) in the security of Alhokair shall not deal in reverse transaction within a period of six months.
 - In case of an emergency situation, the Board Secretary may waive the six months requirement (subject always to CMA regulations) recording the reasons for such request.

Reporting and Disclosure

- **Disclosure by directors, senior executives and employees**
 - All directors, senior executives and employees are required to disclose the following details of transactions and holding for self and family members to the Board Secretary:
 - All holding of securities of the Company on the date of joining
 - The securities of the Company held as on March 31 every year

- The Board Secretary shall present to the Chief Executive Officer and Managing Director of the Company on a monthly basis , details of dealing in securities by directors, senior executives and employees
- **Disclosure to Tadawul/Capital Market Authority**
 - The authorised personnel shall disclose information received from Board Secretary to the Stock Exchanges and or Capital Market Authority as required from time to time.
- **Maintenance of records by the Board Secretary**
 - The Board Secretary shall maintain records of transactions by directors, senior executives and employees for a period of 5 years from the date of transaction.
- **Penalty for violation**
 - Any director, senior executive or employee who contravenes with the provision of Capital Market Law, Listing Regulation, other regulation and or this Insider Code, will be liable to penal action by the Capital Market Authority and or the Company.
 - Any proven violation of the this Policy would lead to termination of employment, for an employee under the Article 80 of the Labor Law without any end of service plus any liquidated and or un-liquidated damages plus other penalties as permissible under Civil Law, CMA Regulations, Listing Rules or any other applicable regulation.

Miscellaneous

- **Whistle Blower** – An employee who has the knowledge of violation of this Policy by a fellow employee or an Insider(as defined above) must report such non compliance in confidence to either Whistle Blower ID wb.alhokair@gmail.com or to Haroon AlMutairi at haroon@alhokair.com.sa or call at +966506358088.
- **Internal Audit & Advisory Services** - The Internal Audit & Advisory Services has been authorized and empowered to conduct any review, audit and or investigation into the compliance/violations to this Policy.
- **Investigations** – Any reported or discovered violation of this Insider Trading Policy shall be investigated by a joint team of representatives from Human Resource, Legal and Internal Audit & Advisory Services.

Policy Review History:

Name: Insider Policy

Name	Action	Date	Version
Manish Kakkar	First Draft for Review	13 th June 2012	DV1
Ebrahim Vantra	First Draft Reviewed	16 th June 2012	DV1
Mohammad Masoud	Second Draft Reviewed	21 st June 2012	DV2
Simon Marshall	Third Draft Reviewed	26 st June 2012	DV3
Abdulrahman Moulay	Fourth & Fifth Draft Reviewed	11 th July 2012 and 16 th July 2012	DV4
Final Version based on comments from all.	Final Version for signoff	16 th July 2012	V1