



Aldar Properties PJSC

# **SECURITIES TRADING POLICY**



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# Aldar Properties PJSC SECURITIES TRADING POLICY

## INTRODUCTION

Aldar Properties PJSC (**ALDAR**) is a public joint stock company whose shares are listed on the Abu Dhabi Securities Exchange (**ADX**) and is licensed for listing and trading by the Federal Securities and Commodities Authority (**SCA**).

ALDAR together with entities of which 51% or more of the total voting rights of its share capital is owned by ALDAR is referred to in this policy as the **ALDAR Group**.

ALDAR Group's Securities Trading Policy approved by the Board of Directors of ALDAR (the **Board**) in 2012 applies to you if you are a member of the Board (each a **Director**), or an employee, of the ALDAR Group.

ALDAR Group's Securities Trading Policy (the **Policy**) supplements the insider dealing and other applicable law and regulations in the United Arab Emirates (**UAE**) applying to dealings in publicly traded securities. The Policy applies globally regardless of the country in which the Director or employee works.

The Policy applies to dealing in any listed securities including shares, bonds, notes, sukuk, certificates and similar instruments issued or guaranteed by any entity of the ALDAR Group, whether listed in the UAE or elsewhere (**ALDAR Group Securities**) and any warrants, options and derivative instruments relating to any such ALDAR Group Securities.

Additionally, the Policy applies to certain dealings in shares and securities in any incorporated or unincorporated entities if such entities fall within the definition of Connected Persons in Appendix 1 to this Policy.

If you are in any doubt as to whether you are able to carry out any transaction in relation to any of ALDAR Group Securities on ADX or any market on which any of ALDAR Group Securities are listed, you should contact the Head of Legal of ALDAR.

### **ALDAR Group's Securities Trading Policy aims to:**

- Protect shareholders' interests and the interest of other stakeholders at all times;
- Promote compliance to applicable laws, rules and other regulatory requirements;
- Achieve the highest levels of integrity and transparency;
- Ensure that each and every member of the Board and employee are fully aware that any unauthorised or improper transactions could affect the ALDAR Group's reputation and may result in criminal or civil liability;



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- Ensure that Directors, employees and people connected with them do not use, and do not place themselves under suspicion of using, any inside information that they possess (or are thought to possess) for their personal advantage, or to the detriment of ALDAR Group; and
- Ensure that Directors and employees comply with applicable insider trading legislation, the market abuse regime and other restrictions applicable in the various jurisdictions in which transactions may take place.



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### **1. ALDAR GROUP SECURITIES TRADING POLICY**

#### **1.1 Guiding principle**

No Director or employee of any member of the ALDAR Group may trade in ALDAR Group Securities or rights over ALDAR Group Securities while in the possession of inside information.

The general prohibition is in addition to and not in substitution for any other restrictions on dealing in shares or other securities required to comply with applicable law on insider dealing or similar.

#### **1.2 Application**

The Policy applies to all Directors, employees and their 'Connected Persons' (as defined in Appendix 1).

Connected Persons will broadly include a Director's or employee's spouse, partner, child or step-child and, any company or trust over or in which the Director or employee or their Connected Persons has an interest.

In certain circumstances (described at Section 2.1 below) the Policy will apply to independent contractors engaged by any of the entities within the ALDAR Group. Generally this will be in circumstances where such contractors are given access to inside information.

#### **1.3 General trading restriction**

No Director, employee of any entity within the ALDAR Group or their Connected Persons may trade in or cause someone else to trade in ALDAR Group Securities, or any right or any interest in ALDAR Group securities, while in possession of inside information concerning the ALDAR Group.

Trading in ALDAR Group Securities, or any right or any interest in ALDAR Group Securities includes:

- buying or selling or entering into an agreement to buy or sell any interest in any ALDAR Group Securities;
- making transfers or gifts of ALDAR Group Securities;
- the exercise of options to subscribe for ALDAR Group Securities; and
- the conversion of ALDAR Group Securities convertible notes.

#### **1.4 Market Abuse and Insider Dealing**

Note that it is a criminal offence, under Federal Law No. 4 of 2000 Concerning the Emirates Securities & Commodities Authority and Market (**SCA Law**), for a person to:



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- (a) **deal** in any securities when in possession of inside information which affects their price;
- (b) **encourage** another to deal when in possession of inside information; and
- (c) **disclose** inside information, except in the proper performance of employment, to another person.

These offences have been supplemented by the Disclosure and Transparency Regulations, Trading Regulations and SCA's practice which run in parallel to the offences under the SCA Law. The Disclosure and Transparency Regulations (and other regulations which apply to ALDAR Group Securities) create separate offences which are summarised as follows:-

- (d) **Insider dealing** – where an insider deals (or attempts to deal) in a qualifying investment on the basis of inside information relating to the investment in question. This is similar to (a) above under the SCA Law;
- (e) **Improper disclosure** – where an insider discloses inside information to another person otherwise than in the proper course of his employment, profession or duties. This is similar to (b) above under the SCA Law;
- (f) **Misuse of information** – behaviour (not covered by (d) and (e) above based on unpublished relevant information but which if available to a regular user of the market would be, or would be likely to be, regarded by him as relevant when deciding the terms on which to deal in ALDAR Group Securities;
- (g) **Manipulating transactions** – transactions giving a false or misleading impression or causing abnormal/artificial price levels;
- (h) **Deception** – transactions employing fictitious devices or any other form of deception or plot;
- (i) **Dissemination of misleading information** – disseminating information which gives, or is likely to give a regular user a false or misleading impression or which would be (or likely to be) regarded by a regular user as distorting the market; and
- (j) **Misleading behaviour** – behaviour which is likely to give a regular user of the market a false or misleading impression as to the supply, demand price or value of the relevant securities.

The maximum penalties on conviction of a criminal offence under the SCA Law are three years' imprisonment and/or a fine of AED 1 million. Any concern that a particular action may result in (or already has resulted in) a breach the SCA Law or the Disclosure and Transparency Regulations should be reported



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to the Head of Legal or, in his absence, to the Chief Financial Officer of Aldar immediately.

Any transaction that contravenes the SCA Law or the Disclosure and Transparency Regulations will be considered null and void, hence the relevant Director or employee may face civil liability for any loss caused to other investors as a result of the transaction.

### 1.5 Inside information

In this Policy, inside information means information which:

- relates, directly or indirectly, to particular securities or the issuer of those securities (e.g. to any specific securities of any member of the ALDAR Group) and;
- is not generally available; and
- if it were generally available, it could have an effect on the price of the securities in question (or, if at the relevant time, the ALDAR Group has listed debt securities, significantly affects its ability to meet its commitments).

There is no fixed test for assessing whether information is "inside information". Any assessment should take into account the anticipated impact of the information in light of the totality of the ALDAR Group's activities, the reliability of the source of the information and other variables in all the circumstances.

Information which might constitute inside information includes information which affects the assets and liabilities of the ALDAR Group, the performance, or expectation of the performance of the ALDAR Group, the financial condition of the ALDAR Group, the course of the ALDAR Group's business or major new developments in the ALDAR Group's business.

Examples of this type of information include information regarding the acquisition or disposal of a material business, unpublished trading results or the future business prospects of the ALDAR Group.

### 1.6 No dealing during a 'close period'

There must be no dealings by any Director or employee during a 'close period'. '**Close Period**' means:

- (A) 10 working days prior to the announcement of any significant information regarding the ALDAR Group which is price sensitive i.e. information that a reasonable investor would be likely to use as part of the basis of his/her investment decisions for example information regarding the acquisition or disposal of a material business, mergers, obtaining a significant financing, changes to the share capital, unpublished trading results; and



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(B) the period from 15 days prior to the end of the quarterly, half-yearly or annual financial period until disclosure of the relevant financial statements has been made.

#### **1.7 No use of derivatives**

Employees shall not, in any way, deal in derivatives or engage in spread betting in respect of ALDAR Group Securities. In particular, employees are prohibited from “hedging” their economic risk in ALDAR Group Securities in this way.

#### **1.8 No communication of inside information**

At no time should a Director or employee pass on inside information to anyone else except as is required in connection with the performance of their duties or in the ordinary course of their employment.

#### **1.9 Obtaining the market's approval prior to a permitted trade**

As required under Chapter Five of Part Two of the SCA Law, the approval of ADX must be obtained prior to any permitted trade by a Director or employee of the ALDAR Group in any ALDAR Group Securities listed on ADX (form of clearance is attached as Appendix 2).

For ALDAR Group Securities listed on markets other than ADX, the template form for the relevant market must be used to obtain any necessary approvals (where available).

#### **1.10 Director or employee departure**

When a Director or employee leaves the ALDAR Group, they shall be bound by the Policy up to the time when ALDAR Group announces its next half year/end of year results whichever occurs first following such departure.

#### **1.11 Use of brokers**

Any Director or employee of Aldar Group and their Connected Persons who trades in ALDAR Group Securities should restrict himself or herself to using an approved broker. Approved brokers will be nominated from time to time by the Board of ALDAR.

#### **1.12 Insider Register**

In line with SCA regulations, ALDAR also maintains a complete register of all insiders, including persons who may be considered as temporary insiders who have the right to access the Company internal information prior to publication. Such register shall also include prior and subsequent disclosures of insiders.



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The company manages, follows up and supervises the transactions of the insiders and their properties. ALDAR notifies the SCA and the Market of an updated list of insiders at the beginning of each fiscal year and any amendments thereto during the fiscal year.

### **2. POLICY BREACHES**

Breaches of this Policy may lead to disciplinary action being taken against the employee, including dismissal in serious cases.

Please inform the Head of Legal if you are or become aware of any matter which may constitute a breach of this Policy.

Any employee or third party (“Whistleblower”) who discovers or suspects any reportable conduct shall refer to the Whistleblower Policy for further guidance.

## **APPENDIX 1**

### **Definition of Connected Persons**

The following persons shall be deemed to be connected with a Director or other employee of ALDAR or any entity within ALDAR Group (collectively referred to as **Employee** for the purposes of this Appendix):

1. An Employee's spouse or child under the age of 18 or a relative who, on the date of the transaction, has shared the same household as the Employee for at least 12 months.
2. A body corporate with which the Employee is '**associated**'. An Employee is 'associated'  
with a body corporate only if:-
  - (a) the Employee or person connected with the Employee, by virtue of paragraph 1 above, is a director or senior executive who has the power to make management decisions affecting the future development and business prospects of that body corporate; or
  - (b) the Employee and persons connected with the Employee together:-
    - (i) are interested in at least 20% of the shares (nominal value) of the body corporate; or
    - (ii) are entitled to exercise or control exercise of more than 20% of voting power at any general meeting of that body corporate.

For the purposes of the 20% test, there will also be attributed to the Employee, the voting power held by a company 'controlled' by the Employee (but for this purpose, a company is only considered 'controlled' if more than 50% of the votes or equity share capital is controlled by the Employee, any persons connected with the Employee and the other Directors of that company).

3. A trustee of a trust (excluding a trustee under an employees' share scheme or a pension scheme) whose beneficiaries or potential beneficiaries include the Employee or a person connected with the Employee under paragraphs 1 or 2 above.
4. A partner of the Employee or of a person connected with the Employee under paragraphs 1 or 3 above.

## APPENDIX 2

### Clearance Form



Insider Trading Form

Date: ...../...../.....

Order Type:     Buy  
                   Sell

Name of Company:.....

Number of Shares: ..... Validity Period: From ..../.../.... To.../.../....

Investor Name: .....

Investor Number: ..... Trading Account Number: .....

Relation with Company: ..... Investor Signature:.....

Brokerage Name: ..... Broker Signature: .....

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For Official Use Only:

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Notes:

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.....  
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\_\_\_\_\_  
MOS Dept.

\_\_\_\_\_  
Listed Companies Dept.

- Maximum validity of any order is one week.
- Order can be entered after being approved.
- All fields must be filled, uncompleted form will be rejected.
- Investor bear all responsibility of the accuracy of the data.

## APPENDIX 3

### Summary of Insider Trading Regulations in the UAE

This Appendix aims to provide a synopsis of the UAE law and regulations relating to trading in shares by insiders and the related sanctions in the event of a violation of the applicable laws. It should not be treated as being comprehensive or exhaustive.

1. The foundation for the law relating to trading in shares by insiders is contained in the SCA Law. Article 37 of the SCA Law provides a blanket prohibition on the exploitation of undisclosed information which could affect the price of securities in order to achieve personal benefits. Any dealing in contravention of this prohibition will be declared null and void. A similar prohibition is imposed by the SCA in Article 39 of the Disclosure and Transparency Regulations. However there is no reference to a director or employee's "personal benefits" in this instance. Hence, for the purposes of Article 39 of the Disclosure and Transparency Rules, if a director or employee exploits inside information relating to a member of the ALDAR Group, they may be subject to sanctions even if the transaction ends up being to the detriment of the director or employee.
2. In the absence of exploitation of undisclosed information which could impact the price of securities, the prohibition in Article 37 does not prohibit the trading in shares of a public company by its directors or employees. Such trading is expressly permitted under Article 38 of the SCA Law, however this is subject to disclosing to the market (ADX in the case of ALDAR) the number of shares which are to be sold or purchased by the director or employee and any other information required by the market. The prior approval of ADX must also be obtained (such approval is normally granted by the CEO or Director General of ADX). Any transaction effected in breach of Article 38 of the SCA Law will be null and void.
3. The SCA implemented further restrictions on trading in the shares of a public company by its directors and employees in the Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities Regulations (the **Trading Regulations**). Article 14 of the Trading Regulations prohibits directors and employees of public companies from dealing **in its securities or in the securities of any of its subsidiaries or affiliated entities**<sup>1</sup> during the following periods:
  - (A) 10 working days prior to the announcement of any significant information which is price sensitive; and
  - (B) 15 days prior to the end of the quarterly, half-yearly or annual financial period and until disclosure of the financial statements has been made.Again, any transaction effected in breach of Article 14 of the Trading Regulations will be null and void.
4. In case of a violation of Article 37 of the SCA Law and Article 39 of the Disclosure and Transparency Regulations, the director or employee can face the following sanctions:

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2. Note that the restriction applies to all types of securities and not just shares i.e. this prohibition would apply to ALDAR's shares, notes, sukuk and bonds issued or guaranteed by it and securities issued or guaranteed by an entity in which ALDAR owns more than 50%, and also to securities issued by affiliates of ALDAR.

(A) imprisonment for a period of no less than 3 months and not more than 3 years;  
and

(B) a fine of not less than AED 100,000 and not more than AED 1 million.

5. These sanctions are contained in Article 41 of the SCA Law and in Article 39 of the Disclosure and Transparency Regulations.

6. As for Article 38 of the SCA Law, any violation of this provision by a director or employee can lead to the following sanctions (contained in Article 42 of the SCA Law):

(A) imprisonment for a period of not more than 3 years; and

(B) a fine of not less than AED 100,000 and not more than AED 1 million.

7. As for a violation of Article 14 of the Trading Regulations only, the sanctions that may be imposed by the SCA are as follows (contained in Article 39 of the Trading Regulations):

(A) issuing the director or employee with a warning; (B) a fine

of no more than AED 100,000; and

(C) suspending the director or employee from trading for a period of no more than 1 year.

8. Furthermore, as all the aforementioned violations would lead to the underlying transaction by the director or employee becoming null and void, the concerned director or employee may face civil liability under the UAE Civil Transactions Law No 5 of 1985 (the Civil Code) for any loss caused to other investors as a result of the transaction being null and void.