

Date: 22 March 2017

MEMORANDUM
FOR EXECUTIVES AND DIRECTORS
OF ALUMINIUM BAHRAIN B.S.C. (THE “COMPANY” OR THE “ISSUER”)

Re: Trading by Executives and Directors and Inside Information

Following the listing of the ordinary shares of the Company (the “Ordinary Shares”) on the Bahrain Bourse (the “Bahrain Bourse”) and the listing of global depository receipts in respect of the Company’s shares (the “GDRs”) on the London Stock Exchange in November 2010, the Company implemented certain processes in relation to control of Company information and trading by certain persons associated with the Company in the Ordinary Shares and GDRs. The purpose of this memorandum is to address your obligations and the obligations of your “connected persons” in respect of trading (buying or selling) Ordinary Shares and GDRs of the Company.

Please note that because the Company is listed on two stock exchanges, we are subject to the regulations of two jurisdictions - the Kingdom of Bahrain and the United Kingdom.

Please read this memorandum carefully (including Annex A hereto), sign in the space provided on page 7 and return the signature page to the Company no later than three days upon receipt of this Memorandum.

If you have any questions regarding your obligations under this memorandum, please do not hesitate to contact Ms. Eline Hilal, (the “Investor Relations Manager and Corporate Secretary”).

1. BAHRAIN REGULATIONS

As per Bahrain regulations, including (i) the Guidelines on Issuers’ Key Persons Dealing in Securities Accepted for Trading on the Bahrain Stock Exchange issued on 4 November 2010 (the “Guidelines”), the (ii) the Disclosure Standards issued by the Central Bank of Bahrain (previously the Bahrain Monetary Authority) (the “CBB”) on 3 December 2003 (the “Disclosure Standards”) and the (iii) Corporate Governance Code of the Kingdom of Bahrain (the “Code”) you must not:

- (a) deal in the Company’s securities while in possession of inside information (see below); or
- (b) deal in the Company’s securities during “close periods” (see below); or

- (c) Have personal interest in any transaction (see below).

1.2 Restrictions on trading by Key Persons

“Key Persons” for the purpose of application of the Bahrain regulations are directors and executives of the Company, the Company itself, and such other persons as decided by our Board to have access to inside information relating to the Company from time to time. If you are in receipt of this memorandum, the Company has designated you a “Key Person”.

The Guidelines provide that, “While key persons may have access to inside information from time to time by nature of their duties performed, they do not necessarily always possess inside information. This fact distinguishes key persons from insiders. Dealing by key persons of an Issuer, therefore, does not necessarily constitute insider trading.”

Accordingly, Directors and Executives of the Company are both Key Persons and “insiders” of the Company, and as such, are bound by the higher standard applied to insiders as set forth in this memorandum.

Any Key Person who is in possession of inside information (as described below) shall not use such information to:

- (a) deal in any securities to which that information relates;
- (b) encourage any person to deal in any securities to which that information relates;
- (c) disclose inside information to any other person, otherwise than in the proper performance of the functions of his employment, office or profession; or
- (d) violate the rules governing the publishing of market information.

Please note that “dealing” includes trading both on and outside of the Bahrain Bourse.

1.3 Restrictions on trading during “close periods”

For the purpose of application of the Bahrain regulations, when there is a “close period”, you and your “connected persons” are not permitted to trade at all in the Company’s Ordinary Shares or GDRs. This period extends from the beginning of the last month of the Company’s financial year until the publication of the financial statements.¹

Therefore, from 1 December of each year² until our financials are published, please do not, and ensure that your connected persons do not, buy or sell any Ordinary Shares or GDRs of the Company.

For these purposes, your “connected persons” means

¹ Per Article 5 of Resolution 3/1990 with respect of the CBB Guidelines on Insiders.

² Unless you are notified of a longer close period (for example, as required by the UK regulations).

- (a) your spouse, son, adopted son, stepson, daughter, adopted daughter, step-daughter, father, stepfather, mother, stepmother, brother, step-brother, sister or step-sister, or other person under your guardianship or control; or
- (b) a firm or a corporation in which your and/or any of the persons mentioned in sub-paragraph (i) above has control of more than 10% of the voting power in the firm or corporation, whether such control is exercised individually or jointly.

In addition, you and your connected persons are not permitted to trade in the Company's Ordinary Shares or GDRs for a certain period following the dissemination of "material information" by the Company.³ You must wait until the earlier of (i) commencement of the following day's trading session (i.e., until 10.00 a.m. of the next trading day following dissemination of the information) or (ii) 24 hours following the general publication of the information in a national publication, starting from the official working hours of the Bahrain Bourse (i.e., 7.30 a.m.).

For these purposes, "material information" means "information of a factual nature that bears on the value of an issuer's securities, or on decisions as to whether or not to invest or trade in such securities, should be disclosed. Included is information known to the Company concerning the issuer's property, business, financial condition and prospects; mergers and acquisitions; and dealings with employees, suppliers, customers and others; as well as information concerning significant changes in ownership of the issuer's securities owned by insiders, or representing control of the issuer."⁴

1.4 **Inside information for the purposes of the Bahrain regulations**

"Inside information" means information that:

- (a) is precise in nature relating directly or indirectly to one or more of the securities of the Company;
- (b) has not been made public; and
- (c) if made public, is likely to have a significant impact on the price of those securities or their derivatives.

1.5 **Register of Key Persons**

The Company is required to maintain a Register of Key Persons containing each Key Person's basic personal data, shareholdings, and any dealing in Company securities, and to provide a copy of same to the Bahrain Bourse. If you are receiving this memo, it is because you appear on our register of "Key Persons" filed with the Bahrain Bourse.

By circulation of this memorandum, the Company has notified all persons appearing in its Register of Key Persons.

³ Per Article 58 of the Central Bank of Bahrain Disclosure Standards

⁴ Per Article 42.2 of the Central Bank of Bahrain Disclosure Standards

Key Persons are required to notify the Company promptly (within 5 business days) of any changes to the personal data described above, so that the Company may inform the Bahrain Bourse within the required time period (10 business days).

1.6 Notification of Dealing

Provided that a Key Person is not actually in possession of inside information at the time of dealing, Key Persons may deal (trade) in securities of the Company. Key Persons are required to advise the Company as to the details of the dealing by the end of the next business day following the completion of the dealing. The Company is then required to notify the Bahrain Bourse immediately.

Key Persons should be aware that the Bahrain Bourse has reserved the right to disseminate to the public such dealing information as per the rules and regulation issued by the Central Bank of Bahrain.

1.7. Key Persons shall have Full Loyalty to the Company

Key Persons have a fiduciary duty of care and loyalty to the Company. A Key Person should understand that under the Commercial Companies Law No. 21 of 2001 (the "CCL"), he is personally accountable to the Company and the shareholders if he violates his legal duty of loyalty to the Company, and that he can be personally sued by the Company or the shareholders for such violations.

The duty of loyalty includes a duty not to use property of the Company for his/her personal needs as though it was his/her own property, not to disclose confidential information of the Company or use it for his/her personal profit, not to take business opportunities of the Company for himself/herself, not to compete in business with the Company, and to serve the Company's interest in any transactions with the Company in which he/she has a personal interest. He/she should be considered to have a "personal interest" in a transaction with the Company if:

(a) he himself/she herself; or

(b) a member of his/her family (i.e. spouse, father, mother, sons, daughters, brothers or sisters); or

(c) another company of which he/she is a director or controlling shareholder,

is a party to the transaction or has a material financial interest in the transaction.

1.8 Avoidance of Conflicts of Interest.

Each Key Person should make every practicable effort to arrange his/her personal and business affairs to avoid a conflict of interest with the Company.

2. UK REGULATIONS

2.1 Restrictions on trading by certain persons

As per Bahrain regulations, all persons discharging managerial responsibilities in the Company or its subsidiaries ("Restricted Persons") must comply with the Model

Code on dealings in securities, set out in the Listing Rules. Accordingly, no trading in the Company's securities or any related securities is permitted in any circumstances:

- (a) at any time you are in possession of inside information or other relevant information that is not generally available (see below); or
- (b) in any other circumstances where such trading would constitute market abuse/market manipulation (see below).

In addition to the general prohibition above, no trading in the Company's securities or any related securities is permitted:

- (c) during close periods (see below) by those listed on the Insider List ("Restricted Persons") (see below); or
- (d) at any time outside close periods by Key Persons, unless prior clearance is given by the appropriate person (see below) and a post-trade notification is given to Mr. Bryan Harris (the "Compliance Officer"); and by Restricted Persons who are not Key Personnel, unless a post-trade notification is given to the Dealing Compliance Officer.

If at any time you are unsure about whether you are permitted to deal in the Company's securities, you may seek clearance from the Compliance Officer. Details of how clearance for dealing in the Company's securities may be obtained, and how to provide a post-trade notification to the Compliance Officer, are set out below.

2.2 Close periods

During certain close periods (listed below), Restricted Persons must not trade in, or otherwise deal with, the Company's securities or any related securities. The Dealing Compliance Officer will notify you of the commencement of a close period.

Generally, close periods are:

- (a) if the Company makes a preliminary announcement of the Company's annual results, the period of 60 days immediately preceding a preliminary announcement of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to and including the time of the announcement; or
- (b) the period of 60 days immediately preceding the publication of its annual financial report or, if shorter, the period from the end of the relevant financial year up to and including the time of such publication;
- (c) if the Company reports on a half yearly basis, the period from the end of the relevant financial period up to and including the time of publication of its half yearly reports; and

- (d) if the Company reports on a quarterly basis, the period of 30 days immediately preceding the announcement of the quarterly results or, if shorter, the period from the end of the relevant financial period up to and including the time of the announcement.

During 2016 the Company reported on a quarterly basis. Reporting frequency in 2017 and beyond will be quarterly unless otherwise notified.

For these purposes, your “connected persons” means:

- (i) a member of your immediate family (including a spouse, civil partner, child or step-child under 18 years of age);
- (ii) any other relative who, on the date of the relevant transaction, has shared the same household as you for at least 12 months;
- (iii) a body corporate that is at least 20% owned or controlled by you or a connected person (whether together or separately);
- (iv) any trustee of a trust (excluding an employees’ share scheme trust or a pension scheme) of which you or your connected person is a beneficiary;
- (v) your or your connected person’s business partners; or
- (vi) a firm in which you or your connected person is a partner.

You are required to provide the Company with the names and contact details of your “connected persons” and to update this information should those connected persons change. You are also required to inform your connected persons of their disclosure obligations, and to provide them with a copy of this policy.

2.3 Notification of Trading

You must notify the Company of any trading in Ordinary Shares or GDRs of the Company by you or any of your “connected persons” on your or their own account within four business days following the day on which the trading occurred.⁵

The notification to the Company must contain the following information:

- (i) your name and, where applicable, your connected person;
- (ii) the reason for responsibility to notify;
- (iii) the name of the Company;
- (iv) a description of the relevant security (Ordinary Share or GDR);
- (v) the nature of the transaction (e.g. purchase or sale);
- (vi) the date and place of the transaction;

⁵ Per Part VI of the United Kingdom’s Financial Services and Markets Act 2000 and the Disclosure and Transparency Rules of the United Kingdom Financial Conduct.

- (vii) the price and volume of the transaction; and
- (viii) number of shares held in the Company.

Please see Annex A attached hereto (Memorandum on Inside Information), which forms an integral part of this memorandum.

Received and Acknowledged (including Annex A hereto):

Signed: _____

Name: _____

Title: _____

Passport /ID number: _____

Annex A

MEMORANDUM ON INSIDE INFORMATION PER UNITED KINGDOM LAWS AND REGULATIONS

You have received this memorandum, which is annexed to the Company's Key Persons Dealing Policy (the "Memorandum") because you have, or are likely to have, access to inside information about the Company [and have been included on the Company's Insider List]. This document and the Memorandum should be read together.

1. **APPLICABLE LAWS AND POSSIBLE SANCTIONS**

1.1 **Insider dealing provisions**

It is a criminal offence for an individual who has price-sensitive information that has not been made public, which he knows is inside information from an inside source, to deal in securities whose price would be likely to be significantly affected by that information if made public. It is also an offence to disclose inside information other than in the proper performance of the functions of your employment or office, as well as to encourage others to deal.

"Inside information" is specific information relating, directly or indirectly, to the Company or to its securities which has not been made public; and, if it were made public, would be likely to have a significant effect on the price of the Company's GDRs or underlying ordinary shares.

An individual guilty of insider dealing may be liable to a fine and/or to imprisonment.

1.2 **Duty of confidentiality**

You are under a duty of confidentiality in respect of any confidential information you receive (whether about the Company or a third party) and you must not use or disclose such information without due authorisation.

The Company (or others) may take action against you if you breach this duty of confidence, including seeking an injunction to prevent the disclosure of any confidential information or damages for any losses suffered.

1.3 **Market abuse provisions**

It is a civil offence under English law to:

- (a) deal or attempt to deal, on the basis of inside information;
- (b) engage in behaviour that is abusive to the market, for example, manipulating the price of the Company's securities;
- (c) encourage someone else to deal on the basis of inside information or otherwise engage in market abusive behaviour;

- (d) disclose inside information other than in the proper performance of the functions of employment or office; or
- (e) otherwise misuse relevant information that is not generally available (“RINGA”) (see below).

Market abuse is not a criminal offence and therefore it is not punishable with imprisonment. In punishing market abuse, the United Kingdom Financial Conduct Authority may impose unlimited financial penalties, publicly censure a person and make an order to compensate or disgorge profits to affected persons. Injunctions to prevent market abuse (and to freeze assets) may also be available.

If the abusive behaviour falls within the scope of the insider dealing provisions of the United Kingdom Criminal Justice Act, it will be a criminal offence and will be punishable with imprisonment.

It should be noted that RINGA is interpreted as a much broader class of information than the definition of inside information, and RINGA is not specifically defined under English law. The prohibition of the misuse of RINGA is intended to have a broad application, and civil sanctions pursuant to the market abuse regime might be imposed in circumstances whereby the behaviour in question does not technically breach one of the other heads of market abuse but still represents a failure on the part of the person concerned to observe the standard of behaviour reasonably expected of a person in his position in relation to the market.

If in doubt as to whether information you have constitutes RINGA, speak to the Compliance Officer.

2. **INSIDER LIST OBLIGATIONS**

Now you are included on an insider list, in addition to the obligations set out in the Memorandum, you must also:

- (a) inform the Manager Investor Relations and Corporate Secretary in advance where you propose to communicate inside information on this matter to any person for the first time. It is important that you comply with the communication requirements in section 3 below. If you are not sure whether you should make a particular communication, you should discuss the question with the Manager Investor Relations and Corporate Secretary. If you are proposing to make a communication outside the Company, you must not do so without the prior agreement of the Manager Investor Relations and Corporate Secretary.
- (b) inform the Manager Investor Relations and Corporate Secretary of the date when you do communicate inside information to another person; and
- (c) inform the Manager Investor Relations and Corporate Secretary of any changes in your personal details (for example, name, personal address, the office in which you are based).

If the person to whom inside information is to be communicated in (a) or (b) is a director or employee of the Company, you need only give their name. In other cases, you must give their name, the name and address of their firm or company and their telephone number.

3. COMMUNICATION REQUIREMENTS

Inside information should be communicated only on a “need to know” basis. Incidental access to inside information needs to be eliminated so far as possible. In addition to complying with the Company’s requirements regarding Confidential information (as set out in the Code of Conduct, and IT Data Security policy), you should take any additional actions necessary to help restrict access to information that could be deemed to be inside information, for example, by using document or server passwords to protect access to sensitive document; restricting access to persons on a secure distribution list; the use of project code names; the use of sealed non-transparent envelopes for internal circulation of hard copy documents, and by ensuring that sensitive documents are kept locked away.

4. ACKNOWLEDGEMENT

By signing the Memorandum, I acknowledge that:

- (a) I have read this Annex A;
- (b) I am aware of the legal and regulatory duties entailed in having access to inside information (including dealing restrictions in relation to the Company’s GDRs or other financial instruments); and
- (i) I am aware of the sanctions attaching to the misuse or improper circulation of inside information.