



**Saudi Exchange Company**

## **Listing Rules**

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**Arabic is the official language of the Saudi Exchange**

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## **PART 1: GENERAL PROVISIONS**

### **Article 1: Preliminary provisions**

- a. Any reference to the “Capital Market Law” in these Rules shall mean the Capital Market Law issued by Royal Decree No. M/30 dated 2/6/1424H.
- b. Expressions and terms in these Rules have the meaning which they bear in the Capital Market Law and in the Glossary of Defined Terms Used in the Exchange Rules unless the contrary intention appears.
- c. The Exchange may waive any requirement in these Rules based on either a request from the relevant person or its own initiative, after obtaining the Authority’s approval.
- d. Any person subject to these Rules may appeal to the Committee in respect of any decision or action that the Authority or the Exchange takes under these Rules.

### **Article 2: Scope and application**

The purpose of these Rules is to regulate:

- 1) the listing of securities;
- 2) the continuing obligations of issuers of listed securities;
- 3) the suspension of trading of listed securities; and
- 4) the cancellation of listing of listed securities.

### **Article 3: Overriding listing requirements**

- a. Securities may not be listed except in accordance with these Rules and unless the relevant offering requirements in the relevant Implementing Regulations have been satisfied.
- b. Securities may not be listed unless they are offered to the public by way of a public offer. By way of exception, the following securities may be listed without being offered to the public:

- 1) debt instruments issued by the government of the Kingdom;
- 2) offered Debt Instruments by way of private placement in accordance with the Rules on the Offer of Securities and Continuing Obligations, in respect of which the issuer makes an application for direct listing pursuant to Article 8 of these Rules;
- 3) shares, in respect of which the issuer makes an application for listing on the Parallel Market and which have been offered by way of a parallel market offer;
- 4) shares, in respect of which the foreign issuer makes an application for listing pursuant to Article 10 of these Rules;
- 5) shares, in respect of which the issuer makes an application for direct listing on the Parallel Market pursuant to Article 43 of these Rules;
- 6) shares, in respect of which the issuer makes an application to transfer to the Main Market pursuant to Article 44 of these Rules;
- 7) Units of a Investment Fund satisfying the requirements of the relevant Implementing Regulations and Exchange Rules, subject to obtaining prior approval of the Authority on such exception; and
- 8) any other case approved by the Authority.

#### **Article 4: Fees**

- a. An issuer applying for listing of its securities is required to pay all applicable listing fees to the Exchange as determined by the Exchange and approved by the Authority.
- b. An issuer whose securities are listed is required to pay all applicable periodic fees to the Exchange as determined by the Exchange and approved by the Authority.

## **PART 2: LISTING CONDITIONS ON THE MAIN MARKET**

### **Article 5: Scope and application**

The purpose of this Part is to identify the conditions relating to the listing of securities on the Main Market.

### **Article 6: General listing conditions for securities**

- a. To be listed, securities must:
  - 1) conform with the statutory conditions in the Kingdom;
  - 2) be duly issued according to the requirements of the issuer's Bylaws or any other constitutional documents, as applicable; and
  - 3) without prejudice to paragraph (b) of this Article, be freely transferable and tradable.
- b. Any restriction on transferability of securities must be approved by the Authority at the time of listing and all investors must be provided with appropriate information to enable dealings in such securities to take place on an open and fair basis.
- c. Securities whose listing has been approved, must be deposited with the Centre.

### **Article 7: Conditions relating to listing of shares**

- a. The issuer must be a joint stock company.
- b. There must be a sufficiently liquid market for the shares that are the subject of the application for listing, as follows:
  - 1) there are at least 200 public shareholders at the time of listing; and
  - 2) at least 30% of the class of shares that are the subject of the application will be owned by the public at the time of listing.

After obtaining the approval of the Authority, the Exchange may permit a lower percentage or a lower number of shareholders if the Exchange deems that it is appropriate to do so in view of the number of shares under the same class and its distribution to the public.

- c. Without prejudice to any lower percentage or lower number of shareholders permitted under paragraph (b) of this Article, the requirements of that paragraph shall constitute a continuous obligation on the issuer.
- d. If at any time following having its shares listed the issuer becomes aware that any of the requirements of paragraph (b) of this Article are no longer met, the issuer must immediately inform the Exchange and take the necessary remedial actions to ensure that the relevant requirements are met, in accordance with the period determined by the Exchange, after consultation with the Authority. The issuer shall keep the Exchange informed on any progress in respect of the remedial actions.
- e. Where none of the shares of a particular class are listed, the application for listing must relate to all shares of that class issued or proposed to be issued. If the shares of that class are already listed, the application must include all further shares of that class which are proposed to be issued.
- f. Except where shares of the same class are already listed, at the date of listing the expected aggregate market value of all shares to be listed must be at least SR 300 million. After obtaining the approval of the Authority, the Exchange may allow the listing of shares of a lower aggregate market value if the Exchange is satisfied that there will be a sufficiently liquid market for the shares concerned.
- g. Notwithstanding paragraph (f) of this Article, in the case of cross listed shares, at the date of submitting the application the expected aggregate market value of all issuer's shares must be at least SR 300 million or an equivalent amount. After obtaining the approval of the Authority, the Exchange may allow the listing of shares of a lower aggregate market value if the Exchange is satisfied that there will be a sufficiently liquid market for the shares concerned.

#### **Article 8: Conditions relating to listing of debt instruments**

- a. If the issuer has any of its securities already listed, the expected aggregate value of all debt instruments to be listed (or in the case of a debt issuance programme, each separate tranche) must be at least SR 50 million.



- b. If the issuer does not already have securities listed, the expected aggregate value of all debt instruments to be listed (or in the case of a debt instrument issuance programme, each separate tranche) must be at least SR 100 million.
- c. After obtaining the approval of the Authority, the Exchange may permit the listing of debt instruments of a lower value than the aggregate values stated in paragraphs (a) and (b) of this Article, provided that the Exchange is satisfied that there will be a sufficiently liquid market for the debt instruments concerned.
- d. Without prejudice to any lower aggregate value permitted under paragraph (c) of this Article, the requirements of paragraph (a) or (b) of this Article -as applicable- shall constitute a continuous obligation on the issuer.
- e. If the issuer at any time following having its debt instruments listed becomes aware that any of the requirements of paragraph (a) or (b) of this Article -as applicable- are no longer met, the issuer must immediately inform the Exchange and take the necessary remedial actions to ensure that the relevant requirements are met. The issuer shall keep the Exchange informed on any progress in respect of the remedial actions.
- f. The issuer who is applying to submit an application for direct listing of offered Debt Instruments by way of private placement in accordance with the Rules on the Offer of Securities and Continuing Obligations must appoint a Financial Advisor which satisfy the requirement set out in the Rules on the Offer of Securities and Continuing Obligations to advise the issuer on the application of the Capital Market Law, its implementing Regulations, and the Exchange Rules.
- g. The Financial Advisor appointed pursuant to paragraph (f) of this Article, must submit a letter to the Exchange in the form set out in Annex 8(c) of these Rules.
- h. The provisions of paragraphs (a), (b), (c), (d), (e) of this Article, shall apply on any issuer seeking a direct listing of its offered Debt Instruments by way of private placement in accordance with the Rules on the Offer of Securities and Continuing Obligations.
- i. The Exchange issue its decision in respect of the application submitted pursuant to paragraph (f) of this Article in accordance to the provisions of Article 19 of these Rules.

### **Article 9: Condition relating to listing of convertible debt instruments**

The Exchange's approval of the application for listing of convertible debt instruments is regarded as the Exchange's approval of the listing of the debt and of the relevant converted shares.

### **Article 10: General conditions for cross listing of foreign issuers**

- a. A foreign issuer whose shares are listed on another regulated exchange may apply for those shares to be listed on the Main Market. The Exchange may approve such a shares listing, provided that in consultation and with the agreement of the Authority, if the country in which the shares of the foreign issuer are listed applies at least similar standards as the standards applied by the Authority and the Exchange.
- b. The foreign issuer who is applying for listing its shares on the Main Market must submit an application to the Exchange which contains the information and documents set out in Annex 1(a) and Annex 10 of these Rules.
- c. The foreign issuer must meet the liquidity requirements set out in paragraph (b) of Article 7 of these Rules upon submitting the application, not at the time of listing.
- d. The foreign issuer who is applying to submit an application for cross listing must appoint a financial advisor which satisfy the requirement set out in the Rules on Offer Securities and Continuing Obligations to advise the foreign issuer on the application of the Capital Market Law, its implementing Regulations, and the Exchange Rules (where applicable).
- e. The financial advisor appointed pursuant to paragraph (d) of this Article, must submit a letter to the Exchange in the form set out in Annex 8 (a) of these Rules.
- f. A foreign issuer specified in paragraph (a) of this Article who has its shares listed on the Main Market is subject to these Rules, the Rules on the Offer of Securities and Continuing Obligations, and any other applicable rules and regulations as determined by the Authority and the Exchange from time to time.
- g. The Authority and the Exchange may, in line with these Rules and other Exchange Rules and the Implementing Regulations, exercise their respective discretions to approve or reject an application for cross listing of the shares of a foreign issuer on the Main Market.

## **Article 11: Conditions relating to listing of units of investment funds**

- a. A fund manager may apply to list the units of the following types of investment funds:
  - 1) Real Estate Investment Traded Funds;
  - 2) Closed-Ended Investment Traded Funds;
  - 3) Exchange Traded Funds; and
  - 4) Any other funds approved by the Authority.
  
- b. To list the units of a Real Estate Investment Traded Fund and the units of a Closed-Ended Investment Traded Funds, the funds must be a closed-ended fund and there must be a sufficiently liquid market for the units that are the subject of the application for listing, as follows:
  - 1) there must be at least 200 public unitholders at the time of listing;
  - 2) in respect of a Real Estate Investment Traded Funds, the minimum total asset value of the fund must be at least SR 500 million at the time of establishment, and in respect of Closed-Ended Investment Traded Funds, the minimum total asset value of the funds must be at least SR 300 million at the time of establishment;
  - 3) the nominal value per unit to be listed must be SR 10; and
  - 4) at least 30% of the total fund units are owned by public unitholders at the time of listing.
  - 5) the requirements set forth in subparagraphs (1) and (4) of this paragraph shall constitute a continuous obligation on the fund manager.
  - 6) If the fund manager at any time, following having its units listed, becomes aware that the requirements of subparagraphs (1) and (4) of this paragraph are no longer met, the fund manager must inform the Exchange immediately and take the necessary remedial actions to ensure that the relevant requirements are met. The issuer shall keep the Exchange informed on any progress in respect of the remedial actions.

- c. To list the units of an investment fund, the relevant units must be approved by the Authority to be offered pursuant to, and are regulated under, the relevant Implementing Regulations.
  
- d. For the purpose of the application of these Rules, a reference to an issuer shall be read as reference to the fund manager in respect of the investment funds that are the subject of the application for listing or whose units are already listed.

## **PART 3: APPLICATIONS FOR LISTING**

### **Article 12: Scope and application**

- a. The purpose of this Part is to set out the requirements relating to the submission of an application for listing of securities on The Exchange.
- b. The provisions of this Part shall not apply to the application for listing of debt instruments issued by the government of the Kingdom. Any such application shall be in accordance with the requirements and procedures determined by the Exchange.
- c. The provisions of Article 16 of these Rules shall apply on the sponsor, except for subparagraph (6) of paragraph (b) of Article 16.

### **Article 13: Application for listing**

An issuer who is applying for listing of its securities must submit an application to the Exchange which contains the information and documents required under these Rules and pay the fee in accordance with Article 4 of these Rules, as well as any other fees payable as the Authority may prescribe.

### **Article 14: Required approvals to submit an application for listing of shares or debt instruments or convertible debt instruments**

- a. An issuer may not submit an application for listing of shares or debt instruments or convertible debt instruments without obtaining all approvals required pursuant to its bylaws, the Companies Law and its Implementing Regulations. This requirement shall not apply to the approval of the extraordinary general assembly to increase the issuer's capital, provided that it must be issued prior to listing the relevant securities. Where the issuer is a special purposes entity, the issuer may not submit an application for listing of securities without obtaining the approvals of the special purposes entity's board of directors and the sponsor's board of directors.
- b. In the case of cross listed shares, the requirements set out in paragraph (a) of this Article shall not apply on the foreign issuer, provided that the foreign issuer must provide the Exchange that it had obtained all required approvals from the foreign market where its shares are listed.

## **Article 15: Appointment of representatives of the issuer**

- a. The issuer must appoint two representatives before the Exchange for all purposes relating to these Rules, one of whom must be a director and the other must be a senior executive. Where the issuer is a special purposes entity, it must appoint two representatives from its directors before the Exchange for all purposes relating to these Rules. The sponsor must appoint two representatives before the Exchange for all purposes relating to these Rules, one of whom must be a director and the other must be a senior executive.
- b. In respect of the Listed Funds, the fund manager must appoint two representatives delegated by the fund's board of directors before the Exchange for all purposes relating to these Rules.
- c. The issuer must provide details in writing of how the representatives appointed pursuant to paragraphs (a) and (b) of this Article may be contacted including office and mobile numbers, electronic mail address and postal address, and details in writing of how the sponsor's representatives may be contacted where the issuer is a special purposes entity.
- d. In addition to the representatives appointed pursuant to paragraph (a) of this Article, any financial advisor appointed in accordance with the relevant Implementing Regulations is responsible, on behalf of the issuer, before the Exchange for the purposes related to submission of listing applications.
- e. The provisions of paragraph (a) of this Article shall not apply on the issuer if it is a fund manager.

## **Article 16: Supporting documents**

An issuer who is applying for listing of its securities must submit to the Exchange:

- a. a formal application for listing signed by a representative of the issuer containing the following information and documents:
  - 1) the information and documents set out in Annex 1 of these Rules where the application is for listing shares or debt instruments. If the application is submitted pursuant to Article 22 of these Rules, it must be in the form set out in Annex 4 of these Rules.

- 2) the information and documents set out in Annex 2 of these Rules where the application is for listing units of a Real Estate Investment Traded Fund.
  - 3) the information and documents set out in Annex 3 of these Rules where the application is for listing units of an Exchange Traded Fund.
  - 4) the information and documents set out in Annex 6 of these Rules where the application is for listing units of a Closed-Ended Investment Traded Fund.
- b. The issuer who submitted an application for listing of shares or debt instruments must provide the Exchange with the following information immediately upon obtaining the approval of the Authority on the application for registration and offer:
- 1) the main activities of the issuer;
  - 2) the issuer's logo;
  - 3) the authorised capital of the issuer;
  - 4) main contact details of the issuer;
  - 5) the end date of financial year of the issuer; and
  - 6) basic information of receiving banks, and the issuer's underwriter (if any), and the lead manager.
- c. The provisions of paragraph (b) of this Article shall not apply where the issuer already has any listed securities on the Exchange or if the application is submitted pursuant to paragraph (f) of Article 8 or Article 10 or Article 43 of these Rules.

**Article 17: Listing requirements for an entity subject of a Demerger transaction**

- a. The Demerger Entity will not be considered suitable for listing on the Exchange if its assets and operations are substantially the same as those of the existing issuer, taking into consideration the issuer's business, Demerged Entity's business or commercial reasons for listing.

- b. The issuer shall retain sufficient level of operations and assets to support its separate listing status following the listing of the Demerged Entity. The issuer is required to retain sufficient assets and operations of its own, in addition to its interest in the Demerged Entity.
- c. There should be a clear distinction between the business retained by the issuer and the business transferred or held by the Demerged Entity.
- d. The Demerged Entity should be able to function independently of the issuer, with its own independent executive management and administrative capability without requiring any support from the issuer, except for arrangements for the sharing of administrative and non-executive functions.

#### **Article 18: Record keeping requirements**

An issuer who is applying for listing of its securities must retain copies of all documents required by Article 16 of these Rules for a period of not less than ten years from the date the application for listing has been made. In the event such documents relate to any litigation or claim (including any litigation pending or threatened) or any on-going investigations, the issuer must retain such documents until the closure of that litigation, claim or on-going investigation.

#### **Article 19: Listing of securities**

- a. The Exchange will approve the application for listing if the following conditions are satisfied:
  - 1) the application for listing is complete; and
  - 2) the issuer who is applying for listing meets all the relevant conditions for listing under these Rules.
  - 3) in the case of cross listed shares, the Exchange has received a non-objection notification from the Authority on the application for cross listing.
- b. The Exchange will review an application for listing within ten days of receiving all information and documentation required under these Rules and in the case of cross listed shares, the Exchange will review the application within forty five days of receiving all



information and documentation required under these Rules. The Exchange must issue a decision in accordance with paragraph (d) of this Article.

- c. The Exchange may require the issuer or its representative to provide it with such additional information or documents that it considers relevant to the application for listing if, having reviewed the application for listing as specified in paragraph (b) of this Article and before issuing its decision in accordance with paragraph (d) of this Article, the Exchange considers that the proposed application for listing may not meet the requirements in paragraph (a) of this Article.
- d. The Exchange must issue its decision within the period specified in paragraph (b) of this Article by either:
  - 1) approving the application for listing of securities, and except for a cross listing application submitted pursuant to the provisions of Article 10 of these Rules, on a conditional basis subject to the issuer obtaining the Authority's approval of the relevant application for registration or the application for registration and offer under the applicable rules and regulations; or
  - 2) rejecting the application where the requirements in paragraph (a) of this Article are not met.
- e. If the Exchange grants a conditional approval for listing under subparagraph (1) of paragraph (d) of this Article, then during the period from the Exchange's conditional approval being granted until the Authority's approval of the application for registration or the application for registration and offer under the applicable Implementing Regulations, the issuer must inform the Exchange of the following:
  - 1) any event or change occurring in relation to the information submitted to the Exchange as part of the application for listing (including its supporting documents); and
  - 2) any other material facts that may be relevant to the Exchange or could otherwise cause the issuer's securities to become ineligible to be listed in accordance with these Rules.
- f. The Exchange may withdraw its conditional approval for listing at any time before the Authority approves the application for registration or the application for registration and

offer under the applicable rules and regulations if, in its opinion, the issuer is no longer eligible to be listed in accordance with these Rules.

- g. In issuing its decision in respect of the application for listing, the Exchange shall promptly notify the issuer and the Authority in writing of its decision (as applicable):
  - 1) that the Exchange approved the listing of securities was in accordance to subparagraph (1) of paragraph (d) of this Article;
  - 2) that the Exchange rejected the application for listing pursuant to subparagraph (2) of paragraph (d) of this Article; or
  - 3) that the Exchange withdrew its conditional approval for listing pursuant to paragraph (f) of this Article.
- h. A conditional approval described in subparagraph (1) of paragraph (d) of this Article becomes final and unconditional upon the issuance of the Authority's approval of the relevant application for registration or the application for registration and offer of the relevant securities under the applicable rules and regulations and the receipt of such approval by the Exchange. In the event of any change before the listing that affects the fulfillment of the listing requirements set out in these Rules after the conditional approval of the Exchange became final in accordance with the provisions of this paragraph, the applicant must notify the Exchange of such change and the Exchange will consult with the Authority in respect of the notification.
- i. The issuer must obtain the Authority's approval on the application of registration or the relevant application of registration and offer within twelve months of the Exchange conditional approval on the listing application, and if the Authority's approval is not obtained within that period, the Exchange conditional approval shall be deemed cancelled and the issuer will be required to resubmit a new application if it wishes to have its Securities listed. The Exchange in this case shall notify the Authority.
- j. Upon the Exchange approval on the application of cross listing of shares, the Exchange shall announce its decision in respect of its approval on the application.

- k. In the case of cross listed shares, the foreign issuer must publish the cross listing document after obtaining the Exchange approval on the application of cross listing within three trading days following the announcement of the Exchange approval on the cross listing application. The cross listing document shall include the minimum information specified in Annex 10 of these Rules.
- l. The cross listing document must be available to the public on the websites of the issuer, the Exchange, and the financial advisor.
- m. The cross listing document must be available for review for a period not less than ten trading days prior to the date of listing.
- n. The foreign issuer must list its shares within six months of the Exchange's approval on the cross listing application. If the shares of the foreign issuer are not listed during that period, the Exchange's approval shall be deemed to be cancelled and the foreign issuer will be required to resubmit new application if it wishes to have its shares listed. The Exchange may extend the period specified in this paragraph, in accordance with qualification criteria determined by the Exchange, based on a request from the foreign issuer.

**Article 20: Dormant applications**

- a. The Exchange may, in its absolute discretion, cancel an application for listing of securities where such application has, in the opinion of the Exchange, remained dormant. Where the Exchange exercises such discretion, it shall promptly notify the issuer and the Authority in writing of its decision.
- b. The effect of a cancellation in paragraph (a) of this Article is that the issuer must make a new application in accordance with the application process set out in these Rules if it wishes to have its securities listed.

## **PART 4: CAPITAL ALTERATION**

### **Article 21: Scope and application**

- a. The purpose of this Part is to set out:
  - 1) The conditions of, and requirements for listing shares or cancelling of shares as a result of an alteration in the capital of an issuer that already has listed securities on The Exchange.
  - 2) The conditions of, and requirements for listing units of a Real Estate Investment Traded Fund and units of a Closed-Ended Investment Traded Fund as a result of an alteration in the total asset value of a fund that already has listed units on The Exchange.
- b. In the case of cross listed shares, the provisions of this Part shall not apply on the foreign issuers. The foreign issuer is subject to the applicable requirements on the foreign market where its shares are listed.
- c. Without prejudice to paragraph (b) of this Article, the foreign issuer must notify the Exchange immediately upon obtaining the approval of the foreign market where its shares are listed on its capital alteration.

### **Article 22: Application submission for listing new securities of a class already listed and supporting documents**

- a. Where an issuer wishes to list new shares of a class already listed, either by way of rights issue suspension of preemptive rights issue, capitalisation issue, debt conversion, acquisition of a company or asset purchase, it must submit an application for listing to the Exchange in accordance with Part 3 of these Rules (as applicable).
- b. Where an issuer wishes to list new units of a Real Estate Investment Traded Fund or units of a Closed-Ended Investment Traded Fund of a class already listed, it must submit an application for listing to the Exchange in accordance with Part 3 of these Rules (as applicable).
- c. An issuer must not list shares of the same class as the shares that are listed for a period of six months following the date of the most recent listing of the shares.

**Article 23: Tradable rights or a capital increase with the suspension of preemptive rights**

- a. Where an issuer wishes to make an application to list new shares of a class already listed by way of a rights issue or suspension of preemptive rights issue, must specify the expected timeline of the offering process, including material steps and the periods thereof.
- b. In case of rights issue, rights to shares that are the subject of a rights issue will be listed and traded on the Exchange during the trading period disclosed by the issuer in respect of the rights issue. At the end of that period, listed rights to shares that are the subject of the rights issue shall be subject to a trading halt.
- c. In case of rights issue, listed rights to shares that are the subject of a rights issue will be cancelled once the shares to which they relate to are listed.

**Article 24: Issuer's capital reduction**

- a. Where an issuer obtains the approval of the Authority to reduce its share capital, it must submit a notification to the Exchange immediately and prior to obtaining the approval of the extraordinary general assembly of the issuer on the capital reduction. The notification must be made by way of a letter in the form specified in Annex 5 of these Rules.
- b. The provisions of this Article shall not apply on the issuer if it is a special purposes entity.

## **PART 5: CONTINUING OBLIGATIONS**

### **Article 25: Scope and application**

- a. The purpose of this Part is to set out the continuing obligations of an issuer of listed securities on The Exchange.
- b. The provisions of Articles 26, 29 and 30 of these Rules shall apply on the sponsor.

### **Article 26: Obligation to make disclosures in accordance with applicable requirements**

All disclosures made by an issuer to the public must be complete, clear, accurate, not misleading and shall comply with all disclosure requirements prescribed by the Capital Market Law, its Implementing Regulations and the Exchange Rules.

### **Article 27: Obligation to disclose actions which may affect the price of the listed securities**

- a. Where an issuer wishes to vary its capital or vary its fund's total asset value or take any other action which could lead to adjusting the price of the issuer's listed securities, it must disclose to the public the details of the consequences of such an action on the price of its listed securities.
- b. In the case of cross listed shares, the foreign issuer must disclose to the public the details of the consequences of such an action on the price of its shares listed on the Exchange, and the mechanism of exercising any rights related to such an action.

### **Article 28: Exchange power to request the provision/disclosure of further information or data**

- a. The Exchange may request an issuer in writing to provide certain information or data.
- b. The issuer must provide the requested information or data pursuant to paragraph (a) of this Article within the period, format, and means specified by the Exchange.
- c. Paragraphs (a) and (b) of this Article apply only to information and data required by the Exchange in connection with the performance of its functions under these Rules.

- d. The Exchange may require an issuer who has provided or produced information or data pursuant to this Article to disclose to the public such information or documents at the issuer's expense.

**Article 29: Means and form of disclosure**

- a. In respect of issuers of listed Securities on the Main Market, all notifications to the Exchange and disclosures to the public by an issuer must be in Arabic and English, and must be made through the system specifically designated by the Exchange for such purpose.
- b. In respect of issuers of listed Securities on the Parallel Market, all notifications to the Exchange and disclosures to the public by an issuer must be in Arabic, the issuer may translate them to English, and must be made through the system specifically designated by the Exchange for such purpose.
- c. Arabic is the official language used to explain and interpret any and all notifications and disclosures. In case of any contradiction between the Arabic version and the English version, the Arabic version shall prevail.
- d. A disclosure to the public must identify clearly the issuer and the parties related to the disclosure, and the subject matter, the time and date of the disclosure in accordance with the Implementing Regulations and the Exchange Rules.
- e. Upon a request in writing, an issuer must be able to provide the Exchange with the following information relating to any disclosure to the public:
  - 1) the name of the individual who made the disclosure in question;
  - 2) the time and date on which the material information that is the subject of the disclosure was received or obtained by the issuer; and/or
  - 3) the mean in which the material information which is the subject of the disclosure was received or obtained by the issuer.

- f. The content of a disclosure to the public is a matter which must be determined by the issuer.
- g. Any disclosure must include a statement to the effect that the issuer accepts full responsibility for the accuracy of the information contained in it and confirms, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts or information the omission of which would make the disclosure misleading, incomplete or inaccurate.
- h. Neither the Authority nor the Exchange shall be responsible for the content of such disclosure, its accuracy or its completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of such disclosure.

**Article 30: Timing of disclosure**

- a. Subject to Article 38 of these Rules, an issuer is required to make a disclosure to the public as soon as possible following the occurrence of an event that is required to be disclosed pursuant to these Rules or pursuant to any applicable continuing obligations set out in the Implementing Regulations and the Exchange Rules. In all cases, the disclosure has to be made before the start of the trading period that follows the occurrence of the relevant event.
- b. Subject to Article 38 of these Rules, in the case of cross listed shares, the foreign issuer must disclose to the public in the Kingdom all information disclosed in the foreign market simultaneously or before disclosing it in the foreign market.

**Article 31: Review of disclosure**

- a. Without prejudice to paragraphs (e),(f),(g) of Article 29 of these Rules, the Exchange will review any disclosure or report published by the issuer to ensure the following:
  - 1) the issuer's compliance with the Disclosure Forms to be followed when preparing the disclosure or the report required pursuant to the Capital Market Law, its Implementing Regulations and the Exchange Rules; and



- 2) the issuer's compliance with the timing of the disclosure or the report pursuant to these Rules and the relevant regulations.
- b. The Exchange shall, when it becomes aware of the issuer's incompliance with the requirements set out in paragraph (a) of this Article, take the following actions:
- 1) require the issuer to take any remedial actions (where applicable); and
  - 2) notify the Authority of the suspected breach in order for the Authority to take the appropriate steps.

## **PART 6: HOLDINGS IN SECURITIES AND LOCK-UP PERIODS**

### **Article 32: Scope and application**

- a. This Part aims to regulate the notifications sent to the Exchange relating to changes of ownership, and the oversight over the shareholders and unitholders' compliance with the applicable lock-up periods.
- b. The provisions of Article 33 of these Rules shall not apply on the issuer if it is a special purposes entity.
- c. The provisions of Article 34 of these Rules shall apply on the sponsor.

### **Article 33: Notification related to holdings in securities**

- a. A person required to notify its holding or interest in listed securities to the Exchange under the applicable Implementing Regulations, must make such notification to the Exchange through the designated electronic system or any other means determined by the Exchange.
- b. A notification under paragraph (a) of this Article must be made by no later than the end of the third trading day following the execution of the transaction or the occurrence of the event in which the obligation to notify arose.
- c. The notification referred to in paragraph (a) of this Article must contain the information required as specified in the relevant Implementing Regulations.
- d. The Exchange shall, on a daily basis, publish an updated list which includes the name of any person who directly owns 5% or more of the issuer's listed shares.
- e. The Exchange shall, on a daily basis, publish an updated list which includes the name of any person who directly owns 5% or more of units of a Real Estate Investment Traded Fund or units of a Closed-Ended Investment Traded Fund.
- f. Notwithstanding paragraphs (d) and (e) of this Article, SBL transactions in accordance with the relevant Exchange Rules, shall not have an effect on the percentage of the direct ownership of the lender. The lent Securities will be calculated within the direct ownership of the lender.

- g. The Exchange shall, on a daily basis, publish an updated list which includes the direct ownership of directors, the CFO, and the CEO (or the highest executive position) in the issuer's listed shares.
- h. The Exchange shall disclose the ownership percentage of shareholders who are subject to the lock-up period, as specified in the prospectus, until the end of that period.
- i. The Exchange may publish any information relating to the holding or interest in securities of which it becomes aware. The Exchange shall not be liable for any publication it makes and where the Exchange publishes a notification received under paragraph (a) of this Article the relevant person will be fully liable for such notification.
- j. The Exchange may request any information or data to perform its functions stipulated under this Article.

#### **Article 34: Lock-up periods**

- a. The Centre shall restrict the disposal of shares held by shareholders who are subject to the lock-up period as specified in the prospectus or the registration document.
- b. The Centre shall restrict the disposal of shares held by shareholders who own the shares of a capital increase with the suspension of preemptive rights.
- c. In respect of the Listed Funds, the Centre shall restrict the disposal of units held by unitholders who are subject to the lock-up period as specified in the terms and conditions of the fund.
- d. The Centre will automatically lift the restrictions on the shares and units as specified in paragraphs (a), (b), (c) of this Article, after the end of the lock-up periods imposed by the relevant Implementing Regulations.
- e. The issuer must provide the Exchange with the details of its directors, audit committee members, senior executives, and any of their associates in accordance with the form prescribed by the Exchange. The Exchange will oversee their adherence to the lock-up periods imposed by the Rules on the Offer of Securities and Continuing Obligations.

- f. The Exchange shall, when it becomes aware that any person mentioned in paragraph (e) of this Article is not in compliance with the lock-up periods imposed by the Rules on the Offer of Securities and Continuing Obligations, notify the Authority of the suspected breach in order for the Authority to take the appropriate steps.

## **PART 7: CANCELLATION OF LISTING AND SUSPENSION OF TRADING**

### **Article 35: Scope and application**

- a. This Part aims to set out the circumstances under which the listing of securities may be cancelled or their trading may be suspended on The Exchange.
- b. The provisions of subparagraphs (3), (7), (8), (9) of paragraph (a) and (5), (6) of paragraph (c), and paragraphs (g) and (h) of Article 36 of these Rules shall not apply on the issuer if it is a special purposes entity.
- c. The provisions of subparagraphs (4) of paragraph (a) and (2) of paragraph (c) of Article 36, and paragraph (f) of Article 37, and paragraphs (b), (d), (f) of Article 38 of these Rules shall not apply on the issuer if it is a fund manager.

### **Article 36: Power to suspend trading or cancel listing**

- a. The Authority may at any time suspend the trading of securities or cancel their listing as it deems fit, in any of the following circumstances:
  - 1) the Authority considers it necessary for the protection of investors or the maintenance of an orderly market;
  - 2) the issuer fails, in a manner which the Authority considers material, to comply with the Capital Market Law, its Implementing Regulations or the Exchange Rules;
  - 3) the issuer fails to pay on time any fees due to the Authority or the Exchange or any fines due to the Authority;
  - 4) the Authority considers that the issuer or the issuer's (business, level of operations or assets) are no longer suitable to warrant the continued listing of its securities on the Exchange;
  - 5) in respect of the Listed Funds, the Authority considers that the fund or the fund's (business, level of operations or assets) are no longer suitable to warrant the continued listing of its units on the Exchange;

- 6) in the case of cross listed securities, the listing of the foreign issuer's securities has been cancelled elsewhere;
- 7) in respect of the Listed Funds, the Authority believes that the custodian and/or the market maker (as applicable) failed in a manner which the Authority considers material to comply with the Capital Market Law, its Implementing Regulations and the Exchange Rules;
- 8) upon the expiry of the fund in respect of the Listed Funds;
- 9) upon the expiry of term of debt instruments and convertible debt instruments;
- 10) upon the announcement of a reverse takeover containing insufficient information about the proposed transaction. If the issuer announces sufficient information regarding the Target, and the Authority is satisfied, following the issuer's announcement, that there will be sufficient information available for the public about the proposed transaction of the reverse takeover, the Authority may decide not to suspend at this stage; or
- 11) upon the leakage of information of the proposed transaction of the reverse takeover, and the issuer is unable to assess accurately its financial position and unable to inform the Exchange accordingly.
- 12) If the liquidity requirements set out in paragraph (b) of Article 41 of these Rules are not satisfied after the lapse of the period determined in subparagraph (1) of paragraph (d) of Article 43 of these Rules.
- 13) upon the registration of the application for the commencement of a financial restructuring procedure of the issuer, whose accumulated losses reached 50% or more of its capital with the court in accordance with the Bankruptcy Law.
- 14) upon the registration of the application for the commencement of the liquidation procedure or the administrative liquidation procedure of the issuer with the court in accordance with the Bankruptcy Law.

- 15) upon the final decision issued by the court to terminate the financial restructuring procedure and the commencement of the liquidation procedure or the administrative liquidation procedure of the issuer in accordance with the Bankruptcy Law.
  - 16) upon the final decision issued by the court to commence the liquidation procedure or the administrative liquidation procedure of the issuer in accordance with the Bankruptcy Law.
- b. The suspension of trading pursuant to paragraph (a) of this Article may be lifted by considering:
- 1) whether the events which led to the suspension have been sufficiently remedied, and whether the suspension is no longer necessary for the protection of investors;
  - 2) whether the lifting of the suspension is not likely to interrupt the normal operation of the Exchange; and
  - 3) the issuer's compliance with any other conditions imposed by the Authority.
  - 4) upon the final decision issued by the court to commence the financial restructuring procedure of the issuer in accordance with the Bankruptcy Law, unless the issuer was suspended from exercising of its activities by the relevant competent authority, in case the suspension was in accordance with subparagraph (13) of paragraph (a) of this Article.
  - 5) upon the final decision issued by the court rejecting the commencement of the liquidation or the administrative liquidation procedure in accordance with the Bankruptcy Law, unless if the issuer was suspended from exercising of its activities by the relevant competent authority, in case the suspension was in accordance with subparagraph (14) of paragraph (a) of this Article.
- c. The Exchange will suspend the trading of the issuer's securities in any of the following circumstances:
- 1) upon the issuer's noncompliance with the disclosure of its periodic financial information within the specified period pursuant to the relevant Implementing Regulations;

- 2) when the auditor's report on the financial statements of the issuer includes an adverse opinion or a disclaimer of opinion;
  - 3) in respect of the Listed Funds, when the auditor's report on the financial statements of the fund includes an adverse opinion or a disclaimer of opinion;
  - 4) if the liquidity requirements set out in Part 2 and Part 8 of these Rules are not satisfied after the lapse of the period determined by the Exchange to the issuer to rectify its position, unless the Authority agrees otherwise;
  - 5) if the trading of the foreign issuer's securities has been suspended elsewhere, in case of cross listed securities, until such suspension is lifted in the other exchange; or
  - 6) upon a resolution entered into force by the extraordinary general assembly of the issuer reducing the issuer's capital for the two trading days following the entry into force of the resolution.
- d. The Exchange will lift the suspension referred to in subparagraphs (1), (2), (3) of paragraph (c) of this Article after one trading session following the end of the suspension circumstances. If the trading of the issuer's shares are made available for trading over the counter, the Exchange will lift the suspension within a period not exceeding five trading sessions following the end of the suspension circumstances.
  - e. The Exchange may at any time propose to the Authority to suspend the trading of any listed security or cancel its listing where in its opinion it is likely that any of the circumstances of paragraph (a) of this Article to occur.
  - f. An issuer whose securities are subject to a listing suspension must continue to comply with the Capital Market Law, its Implementing Regulations and the Exchange Rules.
  - g. Where the suspension of an issuer continues for six months without the issuer taking appropriate action to resolve the reasons that lead to the suspension, the Authority may cancel that issuer's listed securities.
  - h. Upon completion of a reverse takeover by the issuer, the listing of the issuer's shares shall be cancelled. Should it wish to re-list its shares, the issuer must submit a new application



for listing in accordance with these Rules and comply with applicable requirements under the Rules on the Offer of Securities and Continuing Obligations.

- i. This Article shall not prejudice the suspension of trading and cancellation of listing resulting from the losses of the company pursuant to relevant Implementing Regulations and Exchange Rules.

**Article 37: Voluntary cancellation of listing**

- a. An issuer whose securities have been listed may not cancel the listing of its securities on the Exchange without the prior approval of the Authority. In order to obtain the Authority's approval, the issuer must submit a request of the cancellation to the Authority with a simultaneous notification to the Exchange and include in its request the following information:
  - 1) specific reasons for the request for the cancellation;
  - 2) a copy of the form of the disclosure described in paragraphs (f) or (g) of this Article, as applicable;
  - 3) if the cancellation is to take place as a result of an acquisition or other corporate action by the issuer, a copy of the relevant documentation and a copy of each related communication to shareholders;
  - 4) where the issuer is a special purposes entity, a copy of the relevant documentation and a copy of any related communication sent to the owners or the debt instruments holders, if the cancellation is to take place as a result of an action taken by the special purposes entity or the sponsor; and
  - 5) the names and contact details of the financial advisor and legal advisor appointed pursuant to the relevant Implementing Regulations.
- b. The Authority may at its discretion accept or reject the request for cancellation.

- c. An issuer must only obtain the consent of its extraordinary general assembly to cancel a listing after the Authority has approved that cancellation, and the consent of the special assembly for the debt instruments holders if the issuer is a special purposes entity.
- d. Notwithstanding paragraph (c) of this Article, the foreign issuer whose shares are listed on the Main Market, must provide the Authority that it had obtained all required approvals, from the foreign market where its shares are listed, for cancelling its listing on the Exchange.
- e. In respect of the Listed Funds, the issuer must obtain the consent of unitholders -through an ordinary fund resolution- to cancel a listing after the Authority has approved that cancellation.
- f. Where a cancellation is made at the issuer's request, the issuer must make a disclosure to the public as soon as possible. This disclosure must include at least the reason for cancellation and the nature of the event resulting in the cancellation and the extent to which it affects the issuer's activities.
- g. In respect of the Listed Funds, where a cancellation is made at the issuer's request, the issuer must make a disclosure to the public as soon as possible. This disclosure must include at least the reason for cancellation and the nature of the event resulting in the cancellation and the extent to which it affects the fund's activities.

#### **Article 38: Temporary trading halt**

- a. An issuer may request from the Exchange a temporary trading halt upon the occurrence of an event that occurs during trading hours which requires immediate disclosure under the Capital Market Law, its Implementing Regulations and the Exchange Rules and the issuer cannot maintain the confidentiality of this information until the end of the trading period, the trading halt of that issuer's securities will be made by the Exchange immediately upon receiving the request.
- b. Where a trading halt is made at the issuer's request, the issuer must disclose to the public as soon as possible the reason for the trading halt, the anticipated period of the trading halt and the event that has led to it and the extent to which it affects the issuer's activities.

- c. In respect of the Listed Funds, where a trading halt is made at the issuer's request, the issuer must disclose to the public as soon as possible the reason for the trading halt, the anticipated period of the trading halt and the event that has led to it and the extent to which it affects the fund's activities.
- d. The Authority may impose a trading halt without a request from the issuer where the Authority becomes aware of information or circumstances affecting the issuer's activities which the Authority considers would be likely to interrupt the operation of the Exchange or the protection of investors. An issuer whose securities are subject to a trading halt must continue to comply with the Capital Market Law, its Implementing Regulations or the Exchange rules.
- e. In respect of the Listed Funds, the Authority may impose a trading halt without a request from the issuer where the Authority becomes aware of information or circumstances affecting the fund's activities which the Authority considers would be likely to interrupt the operation of the Exchange or the protection of investors. An issuer whose units are subject to a trading halt must continue to comply with the Capital Market Law, its Implementing Regulations or the Exchange rules.
- f. The Exchange may propose that the Authority exercise its powers under paragraph (d) of this Article if it becomes aware of information or circumstances affecting the issuer's activities which the Exchange considers would be likely to interrupt the operation of the Exchange or the protection of investors.
- g. In respect of the Listed Funds, the Exchange may propose that the Authority exercise its powers under paragraph (e) of this Article if it becomes aware of information or circumstances affecting the fund's activities which the Exchange considers would be likely to interrupt the operation of the Exchange or the protection of investors.
- h. A trading halt will be lifted at the end of the period referred to in the disclosure specified in paragraphs (b) and (c) of this Article, unless the Authority or the Exchange decides otherwise.

## **PART 8: LISTING ON THE PARALLEL MARKET**

### **Article 39: Scope and application**

- a. This Part aims to regulate the listing of Securities on the Parallel Market and state the obligations on issuers of listed Securities on the Parallel Market.
- b. In addition to the provisions set out under this Part, except for Article 7 of these Rules, the provisions of Parts (2) and (3) of these Rules, applies to an issuer seeking listing of its Securities on the Parallel Market.
- c. In addition to the provisions set out under this part, the provisions of parts (4), (5), (6) and (7) of these rules applies to issuers of listed Securities on the Parallel Market.
- d. For the purpose of the application of this Part, a reference to an issuer shall be read as reference to the Fund Manager (where applicable) in respect of the investment funds that are the subject of the application for listing or whose units are already listed.

### **Article 40: Eligibility for Trading in the Parallel Market**

- a. Only Qualified Investors shall be allowed to trade in Securities listed on the Parallel Market. The Capital Market Institutions, through which Securities are traded in the Parallel Market and the rights issue of the shares, is responsible for ensuring the compliance with this paragraph.
- b. In all cases, Capital Market Institutions shall ensure that their Qualified Investors' clients are aware of the risks involved in investing in the Parallel Market.
- c. Notwithstanding paragraph (a) of this Article, owners of the Securities -other than the Qualified Investors- who held Securities prior to being listed on the Parallel Market are allowed to trade on the Parallel Market in respect of the Securities of that issuer as well as the rights issued by such issuer. The Capital Market Institutions, through which Securities are traded in the Parallel Market and the rights issue of these shares, is responsible for ensuring the compliance with this paragraph.

- d. Notwithstanding paragraph (a) of this Article, owners of the Securities -other than the Qualified Investors- who held Securities either by way of will, inheritance, or based on instructions issued by the Authority or Regulatory Body are allowed to sell the Securities of that Issuer and to trade the rights issued by such issuer. The Capital Market Institutions, through which securities are traded in the Parallel Market and the rights issue of the shares, is responsible for ensuring the compliance with this paragraph.

**Article 41: Conditions relating to listing of shares on the Parallel Market**

- a. The issuer must be a joint stock company.
- b. There must be a sufficiently liquid market for the shares that are the subject of the application for listing on the Parallel Market as follows:
  - 1) there are at least 50 public shareholders at the time of listing; and
  - 2) at least 20% of the class of shares that are the subject of the application will be owned by the public at the time of listing or the market value of shares owned by the public at the time of listing is not less than SR 30 million (whichever is less).
- c. After obtaining the approval of the Authority, the Exchange may permit a lower liquidity requirements than what is set out in paragraph (b) of this Article if it considers that it is appropriate in view of the number of shares under the same class and its distribution to the public.
- d. Without prejudice to any lower liquidity requirements permitted under paragraph (c) of this Article, the requirements of paragraph (c) of this Article shall constitute a continuous obligation on the issuer.
- e. If the issuer, at any time following having its shares listed, becomes aware that any of the requirements of paragraph (b) of this Article are no longer met, it must immediately inform the Exchange and take the necessary remedial action to ensure that the relevant requirements are met, in accordance with the period determined by the Exchange, after consultation with the Authority. The issuer shall keep the Exchange informed on any progress in respect of the remedial actions.

- f. Where none of the shares of a particular class are listed on the Parallel Market, the application for listing on the Parallel Market must relate to all shares of that class issued or proposed to be issued. If the shares of that class are already listed on the Parallel Market, the application must include all further shares of that class which are proposed to be issued.
- g. Except where shares of the same class are already listed on the Parallel Market, at the date of listing on the Parallel Market the expected aggregate market value of all shares to be listed must be at least SR 10 million for an issuer seeking to offer on the Parallel Market, and SR 100 million for an issuer seeking a direct listing. After obtaining the approval of the Authority, the Exchange may allow the listing of shares of a lower aggregate market value if the Exchange is satisfied that there will be a sufficiently liquid market for the shares concerned.

**Article 42: Conditions relating to listing of units of Investment Funds on the Parallel Market.**

- a. A Fund Manager may apply to list the units of the following types of investment funds:
  - 1) Real Estate Investment Traded Funds;
  - 2) Closed-Ended Investment Traded Funds;
  - 3) Exchange Traded Funds; and
  - 4) Any other funds approved by the Authority.
- b. To list the units of a Real Estate Investment Traded Fund and the units of a Closed-Ended Investment Traded Funds, the funds must be a closed-ended fund and there must be a sufficiently liquid market for the units that are the subject of the application for listing, as follows:
  - 1) there must be at least 50 public unitholders at the time of listing;
  - 2) in respect of a Real Estate Investment Traded Funds and Closed-Ended Investment Traded Funds, the minimum total asset value of each fund must be at least SR 100 million at the time of establishment;

- 3) the nominal value per unit to be listed must be SR 10; and
  - 4) at least 20% of the total fund units are owned by public unitholders at the time of listing.
  - 5) the requirements set forth in subparagraphs (1) and (4) of this paragraph shall constitute a continuous obligation on the Fund Manager.
  - 6) If the Fund Manager at any time, following having its units listed, becomes aware that the requirements of subparagraphs (1) and (4) of this paragraph are no longer met, the Fund Manager must inform the Exchange immediately and take the necessary remedial actions to ensure that the relevant requirements are met. The Issuer shall keep the Exchange informed on any progress in respect of the remedial actions.
- c. To list the units of an Investment Funds, the relevant units must be approved by the Authority to be offered pursuant to, and are regulated under, the relevant Implementing Regulations.

**Article 43: Conditions relating to direct listing on the Parallel Market**

- a. Where an issuer wishes to makes an application for direct listing of its shares on the Parallel Market, it must appoint a financial advisor, that satisfies the requirements stipulated in the Rules on the Offer of Securities and Continuing Obligations (where applicable), to advise the issuer in respect of the application of the Capital Market Law, its Implementing Regulations, the Exchange Rules and the Companies Law and its Implementing Regulations applicable on listed companies on the Parallel Market.
- b. The appointed financial advisor pursuant to paragraph (a) of this Article must submit a letter to the Exchange in the form set out in Annex 8 of these Rules.
- c. The provisions of Article 41 of these Rules, shall apply on any issuer seeking a direct listing of its shares on the Parallel Market. The Exchange will set out additional requirements or criteria that shall be met by the issuer to ensure that there is a sufficient liquidity in the shares subject to the direct listing application on the Parallel Market, and publish and update such requirements or criteria from time to time.

- d. Notwithstanding paragraph (c) of this Article, an issuer who does not meet the liquidity requirements set out in paragraph (b) of Article 41 of these Rules, may apply for direct listing of its shares, upon satisfying the following:
- 1) the issuer submits to the Exchange a liquidity plan for satisfying the liquidity requirements set out in paragraph (b) of Article 41 of these Rules, for a period of twelve months following the listing of the shares on the Parallel Market, in the form specified in Annex 9 of these Rules.
  - 2) the issuer appoints a Capital Market Institutions for the purpose of satisfying the liquidity requirements for the shares subject to the direct listing application, in accordance with the following:
    - a. the Capital Market Institutions shall be authorized by the Authority to conduct a managing activity, in a way that enables the Capital Market Institutions to sell the issuer's shares at its own discretion; and
    - b. the agreement between the issuer and the Capital Market Institutions shall include the obligation of the Capital Market Institutions to execute the plan specified in subparagraph (1) of paragraph (d) of this Article.
- e. The Exchange issue its decision in respect of the applications submitted pursuant to this Article in accordance to the provisions of Article 19 of these Rules.
- f. Following the listing of the issuer's shares pursuant to this Article, the issuer must provide the Exchange with monthly reports on the developments of the execution of the plan specified in subparagraph (1) of paragraph (d) of this Article.
- g. After the lapse of the period set out in subparagraph (1) of paragraph (d) of this Article, the issuer must announce to the public the extent of satisfying the liquidity requirements set out in paragraph (b) of Article 41 of these Rules.



**Article 44: Conditions to transfer to the Main Market**

- a. An issuer whose shares are listed on the Parallel Market may only make an application to transfer to the Main Market after two calendar years from the day on which its shares were listed on the Parallel Market.
- b. An Issuer, before submitting the application for transfer to the Main Market, must satisfy the following:
  - 1) The last reviewed interim financial statements or the last audited annual financial statements of the Issuer (whichever is later), must not include any qualified opinion or disclaimer of opinion or disclaimer of conclusion or adverse opinion or adverse conclusion from the auditor.
  - 2) The absence of accumulated losses on the Issuer based on the last reviewed interim financial statements or the last audited annual financial statements (whichever is later).
  - 3) The absence of a suspension case in accordance with Article 36 of these Rules to the Issuer's shares, within the twelve months prior to the submission of the application for transfer to the Main Market, with the exception of suspending the Issuer's shares pursuant to subparagraph (6) of paragraph (c) of Article 36.
- c. Where the Issuer has undergone material restructuring, the application for transfer to the Main Market may not be submitted until one financial year has elapsed from the date of completion of that material restructuring. For the purpose of this paragraph, "material restructuring" shall mean:
  - 1) Disposing any of the Issuer's assets that has contributed in generating 30% or more of the Issuer's revenue or net income as per the most recent annual financial statements;
  - 2) Acquiring assets with a value exceeding 30% or more of the net asset value of the Issuer as per the most recent annual financial statements;
  - 3) Acquiring a company with a shareholder equity constituting 30% or more of the Issuer's shareholder equity as per the most recent annual financial statements.

- d. The Issuer must submit a transfer document, which contains the information and documents set out in Annex 11 of these Rules, and appoint a financial advisor and a legal advisor which satisfies the requirements set out in the Rules on Offer of Securities and Continuing Obligations, to advise the Issuer in respect of the application of the Capital Market Law, its implementing Regulations, the Exchange Rules and the Companies Law and its Implementing Regulations applicable on listed companies on the Exchange.
- e. The financial advisor appointed pursuant to paragraph (d) of this Article, must submit a letter to the Exchange in the form set out in Annex 8(b) of these Rules.
- f. The legal advisor appointed pursuant to paragraph (d) of this Article, must submit a letter to the Exchange in the form set out in Annex 13 of these Rules.
- g. If the Issuer submitted an application for transfer to the Main Market after five calendar years from the day on which its shares were listed on the Parallel Market, the requirements set out in paragraph (d) of this Article shall not apply.
- h. The issuer must meet the liquidity requirements set out in paragraph (b) of Article 7 of these Rules, upon submitting the application of transfer to the Main Market, not at the time of listing. The Exchange will set out additional requirements or criteria that shall be met by the issuer to ensure that there is a sufficient liquidity in the shares subject of the application for transfer, and publish and update such requirements or criteria from time to time.
- i. Notwithstanding paragraph (f) of Article 7 of these Rules, the average aggregate market value, within the twelve months prior the submission of the application, for all shares to be transferred to the Main Market, must be at least SR 200 million.
- j. An issuer whose shares are listed on the Parallel Market must announce its board of directors' approval, regarding the transfer to the Main Market, before the start of the trading session that follows the approval specified in this paragraph. The announcement shall include that the transfer is subject to the approval of the Exchange and conditioned on satisfying all requirements imposed by the Exchange.
- k. An Issuer, before submitting the application for transfer to the Main Market, must disclose to the public the board of director's report, which includes all information required

pursuant to the relevant Implementing Regulations, for a period not less than thirty Calendar days prior to the submission date of the application for transfer to the Main Market.

1. The issuer must disclose to the public upon submitting the application of transfer to the Main Market.
  
- m. In addition to any required documents in accordance with this Article -as applicable-, an issuer wishes to transfer to the Main Market, it must submit an application to the Exchange which contains the information and documents set out in Annex 1 and Annex 7 of these Rules.

**Article 45: Exchange powers in relation to the application for transfer to the Main Market**

- a. the Exchange will approve the application for transfer to the Main Market if the following conditions are satisfied:
  - 1) the application for transfer to the Main Market is complete; and
  - 2) The issuer who is applying for transfer to the Main Market meets all relevant requirements under these Rules.
  
- b. The Exchange will review the application for transfer within ten days of receiving all information and documentation required under Article 44 of these Rules and must issue a decision in accordance with paragraph (d) of this Article. In case a transfer document is submitted in accordance with paragraph (d) of Article 44 of these Rules, the Exchange will review the application for transfer to the Main Market within twenty days from receiving all information and documents required under Article 44 of these Rules. The Exchange must issue its decision regarding the application in accordance with paragraph (d) of this Article.
  
- c. The Exchange may require the issuer or its representative to provide it with such additional information or documents that it considers relevant to the application for transfer or take any action related to the application for transfer if, having reviewed the application for transfer as specified in paragraph (b) of this Article and before issuing its decision in accordance with paragraph (d) of this Article, the Exchange considers that the proposed

application for transfer may not meet the requirements specified in paragraph (a) of this Article.

- d. The Exchange must issue its decision within the period specified in paragraph (b) of this Article by either:
  - 1) approving the application for transfer to the Main Market; or
  - 2) rejecting the application where the requirements in paragraph (a) of this Article are not met.

The Exchange may - if it deems necessary and reasonably - postpone any of the decisions set out in this paragraph, if the application review requires further study or examination. Where the Exchange exercises such discretion, it shall promptly notify the issuer.

- e. The Exchange will reject the application for transfer to the Main Market upon the instructions issued by the Authority. The Authority may issue such instructions where the Authority becomes aware of information or circumstances affecting the issuer's activities, which the Authority considers would be likely to interrupt the operation of the Exchange or the protection of investors.
- f. The Exchange must announce the issuance of its decision in respect of the application for transfer to the Main Market and the decision must be reasoned if the application is rejected.
- g. In case a transfer document is submitted in accordance with paragraph (d) of Article 44 of these Rules, the Issuer must publish the transfer document after obtaining the Exchange approval on the application for transfer to the Main Market within three trading days following the announcement of the Exchange's approval on the application for transfer.
- h. The transfer document specified in paragraph (g) of this Article, must be available to the public on the websites of the issuer, the Exchange, and the financial advisor for a ten trading days prior to the date of transfer to the Main Market.
- i. After the announcement of the Exchange's approval of the transfer of the issuer's shares to the Main Market, the Exchange will cease the trading of the issuer's shares for a period not exceeding five trading sessions and start with the transfer procedures. In case a transfer

document is submitted in accordance with paragraph (d) of Article 44 of these Rules, the Exchange will cease the trading of the Issuer's shares on the day following the end of publishing the transfer document period specified in paragraph (h) of this Article, for a period not exceeding five trading sessions and start with the transfer procedures.

## **PART 9: GENERAL PROVISIONS**

### **Article 46: General Powers**

- a. To ensure compliance with the provisions of these Rules, the Exchange may:
  - 1) require persons subject to these Rules to undertake or refrain from undertaking certain activities within the scope of the provisions of these Rules;
  - 2) request information and reports relevant to the provisions of these Rules; and
  - 3) request from persons subject to these Rules to appoint independent organizations, in accordance with qualification criteria determined by the Exchange, to validate their compliance with the provisions of these Rules.
- b. The Exchange may establish necessary technical procedures, as it deems appropriate, to implement the provisions of these Rules.

### **Article 47: Publication and Entry into Force**

These Rules shall be effective as per its approval resolution.

## **PART 10: ANNEXES**

### **Annex 1**

#### **Content of Application for Listing of Shares or Debt Instruments**

##### **First:**

The following information must be provided in the named, signed and dated application for listing (where applicable):

##### **1. Shares**

- Issued shares;
- Number;
- Class;
- Nominal value per share (SR);
- Amount paid up per share (SR);
- Total amount paid up for issued shares (SR);
- Offer price; and
- Targeted market for listing.

##### **2. Debt instruments and convertible debt instruments**

- The Issuer and the sponsor's name (where applicable) and the Issuer's description;
- The Issue and/or Debt Instrument name;
- Number;
- Class;
- Nominal value (SR), the tranches number, the value of each tranche for which application is being made, and the details of each tranche in the issuance programme;
- Redemption value (SR); and
- Total nominal value of the debt instruments (SR).

- Does the Issuer of the debt instrument have listed securities in the Exchange, and are the debt instruments convertible into shares?
- Volume of issue and type of issue for which application is being made;
- Issue date and its duration and issue currency;
- Maturity and/or expiry date of Debt Instruments for which application is being made;
- Profit margin and reference price rate and the method by which the return on debt instruments is calculated;
- Dates of the periodic dividends of the returns of the Debt Instruments for which application is being made (profit dividends duration) and the type of scheduled payments (fixed or variable) (where applicable);
- Issue manager name (in case Capital Market Institution appointed for managing the issuance).

### **3. Ownership of shares**

- Number of holders of shares;
- Number of shares;
- Directors of the issuer;
- Substantial shareholders;
- Shares in public hands;
- Shares in hands of employees; and
- Shares in hands of directors.

### **4. Type of issue for which application is being made**

- Number or value of securities for which application is being made.
- Description of securities for which application is being made and their maturity date (if any).
- Are the securities for which application is made identical in all respects? If not, how do they differ and when will they become identical?.
- Details of documents of title.



**Second:**

The application must contain an authorisation in the form below:

“The issuer hereby authorises the Exchange to exchange any relevant information with the Authority or authorities, agencies or other bodies having responsibility for the supervision of financial services as well as any other relevant authorities.”

**Third:**

The application must contain a declaration in the form below:

“To: The Saudi Stock Exchange

We, being directors of \_\_\_\_\_ [insert name of “issuer”] (the issuer), hereby jointly and severally declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) the issuer:

- 1) has satisfied all the relevant conditions for listing and all other relevant requirements of the Capital Market Law, the Listing Rules and the [*Rules on the Offer of Securities and Continuing Obligations*]; and
- 2) has or will supply all the documents required by the Capital Market Law, its Implementing Regulations and the Exchange Rules (including the Listing Rules).

We confirm that there are no other facts bearing on the issuer’s application for listing which in our opinion, should have been disclosed to the Saudi Stock Exchange. We further confirm that we:

- 1) have read and understood the Capital Market Law, the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations; and
- 2) have understood the nature of our responsibilities and obligations as directors of a company whose securities are listed, and have understood in particular what is required of us to enable holders of the listed securities and the public to appraise the issuer.

We acknowledge that the issuer’s securities will be entitled to remain listed only if the securities comply with the applicable requirements of the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations and the Implementing Regulations and the Exchange Rules [*as well as other applicable Regulations of the Authority and the Exchange*] and the issuer complies with these requirements. We hereby jointly and severally undertake and agree to comply with the Capital Market Law, the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules, the Implementing Regulations and the Exchange Rules approved by the Capital Market Authority from time to time and in particular undertake and agree to comply with the continuing obligations vis-à-vis the Saudi Stock Exchange and the Capital Market Authority set out in the relevant part of the Capital Market Law, the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules. We further jointly and severally undertake to use our best endeavours to procure that the issuer shall also comply

with the Capital Market Law, the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules and the Implementing Regulations and the Exchange Rules approved by the Capital Market Authority from time to time. We acknowledge the power of the Capital Market Authority to suspend or cancel the listing of the issuer's securities and to take other actions in accordance with the Listing Rules. We acknowledge the power of the Saudi Stock Exchange to recommend suspension or cancelation of the listing of the issuer's securities to the Capital Market Authority and to take other actions in accordance with the Listing Rules. We acknowledge the power of the Saudi Stock Exchange to suspend the listing of the issuer's securities and to take other actions in accordance with the Listing Rules.

We hereby authorise the Saudi Stock Exchange to exchange any relevant information with the Capital Market Authority or authorities, agencies or other bodies having responsibility for the supervision of financial services as well as any other relevant authorities.

Signed on behalf of the issuer: the directors

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Fourth:**

- 1) This annex shall be submitted electronically through the automated system designated by the Exchange for such purpose.
- 2) The issuer must retain original copies (or certified where appropriate) of all documents required pursuant to this annex, and provide it to the Exchange upon request.

**Note:**

In the event of any amendments to the information provided through this annex after the Authority's approval on the application for registration and offer of securities and before listing, the issuer shall submit to the Exchange an updated electronic and signed copy of this annex (where applicable).

**Annex 1 (a)**  
**Content of application for cross listing**

**First:**

The following information must be provided in the named, signed and dated application for listing (where applicable):

1. Name of the issuer, country of incorporation and address.
2. Issuer's activity and the sector in which the issuer operates.
3. Names of the markets in which the issuer is listed and dates of listing and the certification of listing the shares (if any).
4. Shares:
  - Issued shares;
  - Number;
  - Class;
  - Nominal value per share;
  - Amount paid up per share;
  - Total amount paid up for issued shares;
  - Shares available for trading in the Saudi Market and foreign market and its percentage;
  - Stating in restrictions limiting the free float of shares or transfer (if any); and
  - Share closing price as of the date of submitting the application.
5. Composition of the issuers Board of Directors, indicating the commencement and end date of Board session.
6. Ownership of shares as of the date of submitting the application:
  - Number of holders of shares;
  - Substantial shareholders;
  - Shares in hands of employees;
  - Shares in hands of directors; and
  - Shares in public hands and its percentage.
7. A statement on obtaining the approval of the competent authorities and other approvals for the foreign issuer with a copy of those approvals (if any).

**Second:**

The application must contain an authorisation in the form below:

“The issuer hereby authorises the Exchange to exchange any relevant information with the Authority or authorities, agencies or other bodies having responsibility for the supervision of financial services as well as any other relevant authorities.”

**Third:**

The application must contain a declaration in the form below:

“To: The Saudi Stock Exchange

We, being directors of \_\_\_\_\_ [insert name of “issuer”] (the issuer), hereby jointly and severally declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) the issuer:

- 1) has satisfied all the relevant conditions for listing and all other relevant requirements of the Capital Market Law, the Listing Rules and the [Rules on the Offer of Securities and Continuing Obligations; and
- 2) has or will supply all the documents required by the Capital Market Law, its Implementing Regulations and the Exchange Rules (including the Listing Rules).

We confirm that there are no other facts bearing on the issuer’s application for listing which in our opinion, should have been disclosed to the Saudi Stock Exchange. We further confirm that we:

- 1) have read and understood the Capital Market Law, the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations; and
- 2) have understood the nature of our responsibilities and obligations as directors of a company whose securities are listed, and have understood in particular what is required of us to enable holders of the listed securities and the public to appraise the issuer.

We acknowledge that the issuer’s shares will be entitled to remain listed only if the shares comply with the applicable requirements of the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations and the Implementing Regulations and the Exchange Rules and the issuer complies with these requirements. We hereby jointly and severally undertake and agree to comply with the Capital Market Law, the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules, the Implementing Regulations and the Exchange Rules approved by the Capital Market Authority from time to time and in particular undertake and agree to comply with the continuing obligations vis-à-vis the Saudi Stock Exchange and the Capital Market Authority set out in the relevant part of the Capital Market Law, the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules. We further jointly and severally undertake to use our best endeavours to procure that the issuer shall also comply with the Capital Market Law, the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules and the Implementing Regulations and the Exchange Rules approved by the Capital Market Authority from time to time. We acknowledge the power

of the Capital Market Authority to suspend or cancel the listing of the issuer's shares and to take other actions in accordance with the Listing Rules. We acknowledge the power of the Saudi Stock Exchange to recommend suspension or cancelation of the listing of the issuer's shares to the Capital Market Authority and to take other actions in accordance with the Listing Rules. We acknowledge the power of the Saudi Stock Exchange to suspend the listing of the issuer's shares and to take other actions in accordance with the Listing Rules.

We hereby authorise the Saudi Stock Exchange to exchange any relevant information with the Capital Market Authority or authorities, agencies or other bodies having responsibility for the supervision of financial services as well as any other relevant authorities.

Signed on behalf of the issuer: the directors

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Fourth:**

- 1) This annex shall be submitted electronically through the automated system designated by the Exchange for such purpose.
- 2) The issuer must retain original copies (or certified where appropriate) of all documents required pursuant to this annex, and provide it to the Exchange upon request.

**Note:**

In the event of any amendments to the information provided through this annex before listing, the issuer shall submit to the Exchange an updated electronic and signed copy of this annex (where applicable).

## Annex 2

### Content of Application for Listing Units of a Real Estate Investment Traded Fund

#### **First:**

The following information must be provided in the named, signed and dated application for listing (where applicable):

- 1) details of the fund manager (and any third parties involved in the Fund);
- 2) Fund name and type;
- 3) expected size of the fund (in number of units and value in SR);
- 4) Offered percentage of the total number of units;
- 5) nominal value of units;
- 6) proposed term of the fund;
- 7) any offering document used for the offering of the units;
- 8) a description of the fund dissolution process;
- 9) Number of unitholders from the public; and
- 10) Targeted market for listing.

#### **Second:**

- 1) This annex shall be submitted electronically through the automated system designated by the Exchange for such purpose.
- 2) The issuer must retain original copies (or certified where appropriate) of all documents required pursuant to this annex, and provide it to the Exchange upon request.

**Third:**

The application must contain a declaration from the issuer in the form below:

“To: The Saudi Stock Exchange

We, being directors of \_\_\_\_\_ [insert name of “fund”], hereby jointly and severally declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) the fund:

- 1) has satisfied all the relevant conditions for listing and all other relevant requirements of the Capital Market Law, the Listing Rules and the relevant Implementing Regulations; and
- 2) has or will supply all the documents required by the Capital Market Law, its Implementing Regulations and the Exchange Rules (including the Listing Rules).

We confirm that there are no other facts bearing on the fund’s application for listing which in our opinion, should have been disclosed to the Saudi Stock Exchange. We further confirm that we:

- 1) have read and understood the Capital Market Law, the Listing Rules and the relevant Implementing Regulations; and
- 2) have understood the nature of our responsibilities and obligations as directors of a fund whose units are listed, and have understood in particular what is required of us to enable holders of the listed units and the public to appraise the fund.

We acknowledge that the fund’s units will be entitled to remain listed only if the units comply with the applicable requirements of the Listing Rules and the relevant Implementing Regulations and the Exchange Rules and the fund complies with these requirements. We hereby jointly and severally undertake and agree to comply with the Capital Market Law, the relevant Implementing Regulations, the Listing Rules, and the Exchange Rules approved by the Capital Market Authority from time to time and in particular undertake and agree to comply with the continuing obligations vis-à-vis the Saudi Stock Exchange and the Capital Market Authority set out in the relevant part of the Capital Market Law, the relevant Implementing Regulations and the Listing Rules. We further jointly and severally undertake to use our best endeavours to procure that the fund shall also comply with the Capital Market Law, the relevant Implementing Regulations, the Listing Rules and the Exchange Rules approved by the Capital Market Authority from time to time. We acknowledge the power of the Capital Market Authority to suspend or cancel the listing of the fund’s units and to take other actions in accordance with the Listing Rules. We acknowledge the power of the Saudi Stock Exchange to recommend suspension or cancelation of the listing of the fund’s units to the Capital Market Authority and to take other actions in accordance with the Listing Rules. We acknowledge the power of the Saudi Stock Exchange to suspend the listing of the fund’s units and to take other actions in accordance with the Listing Rules.

We hereby authorise the Saudi Stock Exchange to exchange any relevant information with the Capital Market Authority or authorities, agencies or other bodies having responsibility for the supervision of financial services as well as any other relevant authorities.

Signed on behalf of the fund: the directors

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Note:**

In the event of any amendments to the information provided through this annex after the Authority's approval on the application for registration and offer of securities and before listing, the issuer shall submit to the Exchange an updated electronic and signed copy of this annex (where applicable).



### **Annex 3**

#### **Content of Application for Listing of Units of an Exchange Traded Fund**

##### **First:**

The following information must be provided in the named, signed and dated application for listing (where applicable):

- 1) details of the fund manager (and any third parties involved in the fund including the market maker);
- 2) Fund name;
- 3) expected size of the fund (in number of units and value in SR);
- 4) nominal value of units;
- 5) a description of the index including its components; and
- 6) Targeted market for listing.

##### **Second:**

- 1) This annex shall be submitted electronically through the automated system designated by the Exchange for such purpose.
- 2) The issuer must retain original copies (or certified where appropriate) of all documents required pursuant to this annex, and provide it to the Exchange upon request.

##### **Third:**

The application must contain a declaration from the issuer in the form below:

“To: The Saudi Stock Exchange

We, being directors of \_\_\_\_\_ [insert name of “fund”], hereby jointly and severally declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) the fund:

- 1) has satisfied all the relevant conditions for listing and all other relevant requirements of the Capital Market Law, the Listing Rules and the relevant Implementing Regulations; and
- 2) has or will supply all the documents required by the Capital Market Law, its Implementing Regulations and the Exchange Rules (including the Listing Rules).

We confirm that there are no other facts bearing on the fund’s application for listing which in our opinion, should have been disclosed to the Saudi Stock Exchange. We further confirm that we:

- 1) have read and understood the Capital Market Law, the Listing Rules and the relevant Implementing Regulations; and
- 2) have understood the nature of our responsibilities and obligations as directors of a fund whose units are listed, and have understood in particular what is required of us to enable holders of the listed units and the public to appraise the fund.

We acknowledge that the fund’s units will be entitled to remain listed only if the units comply with the applicable requirements of the Listing Rules and the relevant Implementing Regulations and the Exchange Rules and the fund complies with these requirements. We hereby jointly and severally undertake and agree to comply with the Capital Market Law, the relevant Implementing Regulations, the Listing Rules, and the Exchange Rules approved by the Capital Market Authority from time to time and in particular undertake and agree to comply with the continuing obligations vis-à-vis the Saudi Stock Exchange and the Capital Market Authority set out in the relevant part of the Capital Market Law, the relevant Implementing Regulations and the Listing Rules. We further jointly and severally undertake to use our best endeavours to procure that the fund shall also comply with the Capital Market Law, the relevant Implementing Regulations, the Listing Rules and the Exchange Rules approved by the Capital Market Authority from time to time. We acknowledge the power of the Capital Market Authority to suspend or cancel the listing of the fund’s units and to take other actions in accordance with the Listing Rules. We acknowledge the power of the Saudi Stock Exchange to recommend suspension or cancellation of the listing of the fund’s units to the Capital Market Authority and to take other actions in accordance with the Listing Rules. We acknowledge the power of the Saudi Stock Exchange to suspend the listing of the fund’s units and to take other actions in accordance with the Listing Rules.

We hereby authorise the Saudi Stock Exchange to exchange any relevant information with the Capital Market Authority or authorities, agencies or other bodies having responsibility for the supervision of financial services as well as any other relevant authorities.

Signed on behalf of the fund: the directors

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Note:**

In the event of any amendments to the information provided through this annex after the Authority's approval on the application for registration and offer of securities and before listing, the issuer shall submit to the Exchange an updated electronic and signed copy of this annex (where applicable).

## **Annex 4**

### **Form of Letter Required for Listing New Securities of a Class Already listed**

#### **First:**

The following information must be provided in the named, signed and dated application for listing (where applicable):

- 1) The nominal value of the issuer's listed share capital before and after the capital increase or the nominal value of the listed fund's total asset value before and after increasing the fund's total assets value.
- 2) The number of shares issued before and after the capital increase or the number of units issued before and after the increase of the fund's total asset value.
- 3) The proposed method for the capital increase or the fund's total asset value increase.
- 4) The timetable for the completion of the capital increase or for the completion of the fund's total asset value increase.
- 5) The procedure to be followed for the completion of the capital increase or for the completion if the fund's total asset value increase.
- 6) The ratio of shares to be issued as a result of the issue to the number of shares issued prior to the capital increase or the ratio of units to be issued as a result of the issue to the number of units issued prior to the fund's total asset value increase.
- 7) The value of the reserves to be utilised in the capital increase (if any).
- 8) The nature of the reserves to be utilised in the capital increase (if any).
- 9) The details on share or units fraction treatment (if any).
- 10) A copy of the shareholder circular or prospectus or terms and conditions of the fund.
- 11) A statement on the approval from the relevant regulatory authorities as well as a copy of this approval (where applicable).
- 12) The date of the latest change in the capital share of the issuer or in the fund's total asset value.

#### **Second:**

- 1) This annex shall be submitted electronically through the automated system designated by the Exchange for such purpose.
- 2) The issuer must retain original copies (or certified where appropriate) of all documents required pursuant to this annex, and provide it to the Exchange upon request.

**Note:**

In the event of any amendments to the information provided through this annex after the approval of the extraordinary general assembly for capital increase or after the approval of unitholders for fund's total asset value increase (where applicable), the issuer shall submit to the Exchange an updated electronic and signed copy of this annex.

**Annex 5**  
**Form of Letter Required for Capital Reduction**

**First:**

The following information must be provided in the named, signed and dated application for listing (where applicable):

- 1) The nominal value of the issuer's listed share capital before and after the capital reduction.
- 2) The total number of shares issued before and after the capital reduction.
- 3) The value of the capital reduction.
- 4) The proposed method for the capital reduction.
- 5) The timetable for the completion of the capital reduction.
- 6) The procedure that must be followed for the completion of the capital reduction.
- 7) The ratio of shares to be cancelled to the number of shares issued prior to the capital reduction.
- 8) The value of the reserves to be utilised in the capital reduction (if any).
- 9) The nature of the reserves to be utilised in the capital reduction (if any).
- 10) The details on share fraction treatment (if any).
- 11) The date of the financial statements from which the valuations for the capital reduction were taken and a certified copy of such statements.
- 12) A statement on the approval from the relevant regulatory authorities as well as a copy of this approval (where applicable).

**Second:**

- 1) This annex shall be submitted electronically through the automated system designated by the Exchange for such purpose.
- 2) The issuer must retain original copies (or certified where appropriate) of all documents required pursuant to this annex, and provide it to the Exchange upon request.

**Note:**

In the event of any amendments to the information provided through this annex after the approval of the extraordinary general assembly for capital reduction, the issuer shall submit to the Exchange an updated electronic and signed copy of this annex (where applicable).

## **Annex 6**

### **Content of Application for Listing Units of a Closed-ended Investment Traded Fund**

#### **First:**

The following information must be provided in the named, signed and dated application for listing (where applicable):

- 1) details of the fund manager (and any third parties involved in the Fund);
- 2) Fund name and type;
- 3) expected size of the fund (in number of units and value in SR);
- 4) Offered percentage of the total number of units;
- 5) nominal value of units;
- 6) proposed term of the fund;
- 7) any offering document used for the offering of the units;
- 8) a description of the fund dissolution process;
- 9) Number of public unitholder; and
- 10) Targeted market for listing.

In case the listing application is for a Closed-ended Investment Traded Fund subject to subparagraph (6) of paragraph (b) of Article 3 of these Listing Rules, the application shall contain, in addition to the information required in this annex, the following:

- 1) Approval of unitholders – through an ordinary fund resolution- for direct listing; and
- 2) Approval of board of directors for direct listing.

**Second:**

- 1) This annex shall be submitted electronically through the automated system designated by the Exchange for such purpose.
- 2) The issuer must retain original copies (or certified where appropriate) of all documents required pursuant to this annex, and provide it to the Exchange upon request.

**Third:**

The application must contain a declaration from the issuer in the form below:

“To: The Saudi Stock Exchange

We, being directors of \_\_\_\_\_ [insert name of “fund”], hereby jointly and severally declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) the fund:

- 1) has satisfied all the relevant conditions for listing and all other relevant requirements of the Capital Market Law, the Listing Rules and the relevant Implementing Regulations; and
- 2) has or will supply all the documents required by the Capital Market Law, its Implementing Regulations and the Exchange Rules (including the Listing Rules).

We confirm that there are no other facts bearing on the fund’s application for listing which in our opinion, should have been disclosed to the Saudi Stock Exchange. We further confirm that we:

- 1) have read and understood the Capital Market Law, the Listing Rules and the relevant Implementing Regulations; and
- 2) have understood the nature of our responsibilities and obligations as directors of a fund whose units are listed, and have understood in particular what is required of us to enable holders of the listed units and the public to appraise the fund.

We acknowledge that the fund’s units will be entitled to remain listed only if the units comply with the applicable requirements of the Listing Rules and the relevant Implementing Regulations and the Exchange Rules and the fund complies with these requirements. We hereby jointly and severally undertake and agree to comply with the Capital Market Law, the relevant Implementing Regulations, the Listing Rules, and the Exchange Rules approved by the Capital Market Authority from time to time and in particular undertake and agree to comply with the continuing obligations vis-à-vis the Saudi Stock Exchange and the Capital Market Authority set out in the relevant part of the Capital Market Law, the relevant Implementing Regulations and the Listing Rules. We further jointly and severally undertake to use our best endeavours to procure that the fund shall also comply with the Capital Market Law, the relevant Implementing Regulations, the Listing Rules and the Exchange Rules approved by the Capital Market



Authority from time to time. We acknowledge the power of the Capital Market Authority to suspend or cancel the listing of the fund's units and to take other actions in accordance with the Listing Rules. We acknowledge the power of the Saudi Stock Exchange to recommend suspension or cancelation of the listing of the fund's units to the Capital Market Authority and to take other actions in accordance with the Listing Rules. We acknowledge the power of the Saudi Stock Exchange to suspend the listing of the fund's units and to take other actions in accordance with the Listing Rules.

We hereby authorise the Saudi Stock Exchange to exchange any relevant information with the Capital Market Authority or authorities, agencies or other bodies having responsibility for the supervision of financial services as well as any other relevant authorities.

Signed on behalf of the fund: the directors

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Note:**

In the event of any amendments to the information provided through this annex after the Authority's approval on the application for registration and offer of securities and before listing, the issuer shall submit to the Exchange an updated electronic and signed copy of this annex (where applicable).

## **Annex 7**

### **Issuer's Declaration**

To: The Saudi Stock Exchange

We, being directors of \_\_\_\_\_ (insert name of "issuer") (referred to hereinafter as "the issuer"), hereby jointly and severally declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) the issuer:

- 1) the transition does not constitute a breach of any contract/agreement entered into by the issuer.
- 2) all material legal issues concerning the issuer have been disclosed in the issuer's declaration.
- 3) The issuer has prepared and published a report issued by the Board of directors containing all information required as set out in the Corporate Governance Regulations, the Rules on the offer of Securities and Continuing obligation issued by the Capital Market Authority Board.
- 4) the issuer comply with the Corporate Governance regulations and the disclosure requirements set out in the Corporate Governance Regulations, the Companies Law and the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.
- 5) other than what has been disclosed previously to the public or notified to the Exchange, the issuer and its subsidiaries are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position.
- 6) other than what has been disclosed previously to the public or notified to the Exchange, the directors are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position.
- 7) other than what has been disclosed previously to the public or notified to the Exchange, there has not been any interruption in the business of the issuer or any of the issuer's subsidiaries (if applicable) which may have or has had a significant effect on the financial position in the last 12 months.
- 8) other than what has been disclosed previously to the public or notified to the Exchange, the board of directors do not have any shareholding or interest of any kind in the issuer or any of the issuer's subsidiaries (if applicable), and nor does any relative of theirs.

## Annex 8

### Form of a Financial Advisor's Letter related to the direct listing application on the Parallel Market

*[to be provided on the Financial Advisor's letterhead]*

To: The Saudi Stock Exchange

In our capacity acting as the financial advisor to (please insert the name of the "issuer") (referred to hereinafter as "issuer") in respect of the issuer's application for direct listing on the Parallel Market in accordance with Article 43 of the Listing Rules, we [please insert the name of the financial advisor] confirm, to the best of our knowledge, and through making enquiries of the issuer and its advisors, that the issuer has satisfied all conditions required to directly list on the Parallel Market and has satisfied all other matters required by the Saudi Stock Exchange as of the date of this letter. [please insert the financial advisor name] further confirms that it has, to the best of its knowledge and within its capacity as financial advisor, provided to the Saudi Stock Exchange any information or clarifications in such form and within such time limit as the Saudi Stock Exchange required for the purpose of verifying whether [please insert the financial advisor name] and the issuer have complied with the Listing Rules requirements.

In particular, [please insert the financial advisor name] confirms that:

- 1) it has provided all the relevant services required by the Listing Rules with due care and skill;
- 2) it has taken reasonable steps to satisfy itself that the directors of the issuer understand the nature and extent of the responsibilities on the companies listed on the Parallel Market pursuant to the Capital Market Law, its Implementing Regulations and the Exchange Rules; and
- 3) it has come to a reasonable opinion, based on due enquiry and professional experience, that:
  - a) the issuer has satisfied all relevant requirements to directly list on the Parallel Market;
  - b) the directors of the issuer have established adequate procedures, controls and systems which enable the issuer to comply with the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules, the Capital Market Law, its Implementing Regulations and the Exchange Rules imposed on the listed companies on the Parallel Market;
  - c) that all matters known to [please insert the financial advisor name] which should be taken into account by the Exchange when considering the application for direct listing on the Parallel Market have been disclosed.

## **Annex 8 (a)**

### **Form of a Financial Advisor's Letter related to the cross listing application**

*[to be provided on the Financial Advisor's letterhead]*

To: The Saudi Stock Exchange

In our capacity acting as the financial advisor to (please insert the name of the "issuer") (referred to hereinafter as "issuer") in respect of the issuer's cross listing application in accordance with Article 10 of the Listing Rules, we [please insert the name of the financial advisor] confirm, to the best of our knowledge, and through making enquiries of the issuer and its advisors, that the issuer has satisfied all conditions required to cross list on the Main Market and has satisfied all other matters required by the Saudi Stock Exchange as of the date of this letter. [please insert the financial advisor name] further confirms that it has, to the best of its knowledge and within its capacity as financial advisor, provided to the Saudi Stock Exchange any information or clarifications in such form and within such time limit as the Saudi Stock Exchange required for the purpose of verifying whether [please insert the financial advisor name] and the issuer have complied with the Listing Rules requirements.

In particular, [please insert the financial advisor name] confirms that:

- 1) it has provided all the relevant services required by the Listing Rules with due care and skill;
- 2) it has taken reasonable steps to satisfy itself that the directors of the issuer understand the nature and extent of the responsibilities on the companies listed on the Main Market pursuant to the Capital Market Law, its Implementing Regulations and the Exchange Rules; and
- 3) it has come to a reasonable opinion, based on due enquiry and professional experience, that:
  - a) the issuer has satisfied all relevant requirements to cross list on the Main Market, including provisions related to the cross listing document;
  - b) the directors of the issuer have established adequate procedures, controls and systems which enable the issuer to comply with the requirements of the Corporate Governance Regulations, the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules, the Capital Market Law, its Implementing Regulations and the Exchange Rules imposed on the listed companies on the Main Market;
  - c) that all matters known to [please insert the financial advisor name] which should be taken into account by the Exchange when considering the application for cross listing on the Main Market have been disclosed.

## **Annex 8 (b)**

### **Form of a Financial Advisor's Letter related to the application for transfer to the Main Market**

*[to be provided on the Financial Advisor's letterhead]*

To: The Saudi Stock Exchange

In our capacity acting as the financial advisor to (please insert the name of the "issuer") (referred to hereinafter as "issuer") in respect of the issuer's application for transfer to the Main Market in accordance with Article 44 of the Listing Rules, we [please insert the name of the financial advisor] confirm, to the best of our knowledge, and through making enquiries of the issuer and its advisors, that the issuer has satisfied all conditions required to transfer from the Parallel Market to the Main Market and has satisfied all other matters required by the Saudi Stock Exchange as of the date of this letter. [please insert the financial advisor name] further confirms that it has, to the best of its knowledge and within its capacity as financial advisor, provided to the Saudi Stock Exchange any information or clarifications in such form and within such time limit as the Saudi Stock Exchange required for the purpose of verifying whether [please insert the financial advisor name] and the issuer have complied with the Listing Rules requirements and have undertaken a formal financial due diligence review.

In particular, [please insert the financial advisor name] confirms that:

- 1) it has provided all the relevant services required by the Listing Rules with due care and skill;
- 2) it has taken reasonable steps to satisfy itself that the directors of the issuer understand the nature and extent of the responsibilities on the companies listed on the Main Market pursuant to the Capital Market Law, its Implementing Regulations and the Exchange Rules; and
- 3) it has come to a reasonable opinion, based on due enquiry and professional experience, that:
  - a) the issuer has satisfied all relevant requirements to transfer to the Main Market, including provisions related to the transfer document to the Main market;
  - b) the directors of the issuer have established adequate procedures, controls and systems which enable the issuer to comply with the requirements of the Corporate Governance Regulations, the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules, the Capital Market Law, its Implementing Regulations and the Exchange Rules imposed on the listed companies on the Main Market;
  - c) that all matters known to [please insert the financial advisor name] which should be taken into account by the Exchange when considering the application for transfer to the Main Market have been disclosed.

## Annex 8 (c)

### **Form of a Financial Advisor's Letter related to the direct listing of offered Debt Instrument by way of private placement in accordance with the Rules on the Offer of Securities and Continuing Obligations application**

*[to be provided on the Financial Advisor's letterhead]*

To: The Saudi Stock Exchange

In our capacity acting as the financial advisor to (please insert the name of the "issuer") (referred to hereinafter as "issuer") in respect of the issuer's application for direct listing of offered Debt Instrument by way of private placement in accordance with the Rules on the Offer of Securities and Continuing Obligations, in accordance with paragraph (f) of Article 8 of the Listing Rules, we [please insert the name of the financial advisor] confirm, to the best of our knowledge, and through making enquiries of the issuer and its advisors, that the issuer has satisfied all conditions required to direct listing of offered Debt Instrument by way of private placement in accordance with the Rules on the Offer of Securities and Continuing Obligations and has satisfied all other matters required by the Saudi Stock Exchange as of the date of this letter. [please insert the financial advisor name] further confirms that it has, to the best of its knowledge and within its capacity as financial advisor, provided to the Saudi Stock Exchange any information or clarifications in such form and within such time limit as the Saudi Stock Exchange required for the purpose of verifying whether [please insert the financial advisor name] and the issuer have complied with the Listing Rules requirements.

In particular, [please insert the financial advisor name] confirms that;

- 1) it has provided all the relevant services required by the Listing Rules with due care and skill;
- 2) it has taken reasonable steps to satisfy itself that the directors of the issuer understand the nature and extent of the responsibilities on the Securities listed on the Exchange pursuant to the Capital Market Law, its Implementing Regulations and the relevant Exchange Rules; and
- 3) it has come to a reasonable opinion, based on due enquiry and professional experience, that:
  - a) the issuer has satisfied all relevant requirements to direct listing of offered Debt Instrument by way of private placement in accordance with the Rules on the Offer of Securities and Continuing Obligations;
  - b) the directors of the issuer have established adequate procedures, controls and systems which enable the issuer to comply with the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules, the Capital Market Law, its Implementing Regulations and the Exchange Rules imposed on the listed companies on the Exchange;
  - c) that all matters known to [please insert the financial advisor name] which should be taken into account by the Exchange when considering the application for direct listing of offered Debt Instrument by way of private placement in accordance with the Rules on the Offer of Securities and Continuing Obligations have been disclosed.

## **Annex 9**

### **Content of the Plan of meeting Liquidity Requirements**

The liquidity plan for satisfying the liquidity requirements shall include the information below as minimum:

- 1) Letter of appointment of the Capital Market Institution for the purpose of satisfying the liquidity requirements.
- 2) Method of providing shares to increase the percentage owned by the public satisfying the minimum liquidity requirements.
- 3) Timetable for executing the plan.
- 4) Identify and define key milestones as part of the timetable.
- 5) Identify risks and potential mitigates.
- 6) The number of the shares managed by the Capital Market Institution for the purpose of satisfying the liquidity requirements in respect of executing the plan.
- 7) Information of the Centre account/accounts for the Capital Market Institution, through which sales transactions are made.

## Annex 10

### Content of the Cross Listing Document

The cross listing document must contain the information mentioned in the following section as minimum:

**First:** Cover page

This section must include the following information:

- 1) the issuer's name, description, incorporation information, place of registration, and the number of commercial registration (if any).
- 2) country of incorporation.
- 3) capital, number of shares, and nominal value.
- 4) a summary of the issuer's shares including share class and rights the percentage of free floated shares.
- 5) details on previously listed shares (type and amount).
- 6) the issuer's activities, which includes details on main products and services provided by the issuer and any expansion the issuer intends to make (if any), in addition to the countries the issuers practices its activities and information on asset and revenues distribution geographically.
- 7) issuer's ISIN code.
- 8) substantial shareholders showing their ownership percentages and number of their shares and any restrictions on their shares (if any).
- 9) the following declaration:

“This document of cross listing includes information provided as part of the application to cross list on the Main Market in compliance with the Listing Rules of the Saudi Stock Exchange. The directors, whose names appear on page [\*], collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The Authority and the Exchange do not take any responsibility for the content of this document, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document.”

**Second:** Important notice

This section must include a notice which shows the purpose of the cross listing document and the nature of information mentioned in it.

**Third:** Corporate directory

This section must include the following:

- 1) Country of incorporation, the issuer's and its representatives' contact information, including addresses, telephone and fax numbers, e-mail addresses, and the issuer's website.
- 2) The contact information, including addresses, telephone and fax numbers, and website and e-mail addresses, for each of the parties listed below:



- a) the financial advisor.
  - b) the legal advisor, if any.
- 3) Information on the organizational structure, including the issuer's board of directors, oversight committees, and the senior executives positions.
  - 4) Information on the members of the board of directors, including their qualifications, experiences, appointment date, end date of his/her session, and the independency of its members.
  - 5) Information of any committee emerging from the board of directors.
  - 6) Information on senior executives, including their qualifications and experiences.

**Fourth:** terms and definitions

This section must include a table containing all terms and definitions used in the cross listing document.

**Fifth:** the purpose of cross listing

This section must contain information highlighting the benefits to the issuer and its shareholders from the cross listing.

**Sixth:** Risk Factors

This section must contain the following information related to risk factors:

- 1) The issuer;
- 2) The foreign market where the foreign issuer is listed and any other financial market the foreign issuer is also listed in, including the contact information of all the relevant depository centers;
- 3) The sector in which the issuer operates;
- 4) The securities listed in the foreign market where the foreign issuer is listed, including the shares class and any restriction, if any; and
- 5) Risk factors related to cross listing.

**Seventh:** Financial Information

This section must include the following information:

- 1) Audited annual reports for the previous three years;
- 2) Latest audited interim reports; and
- 3) Issuer's annual report.

**Eighth:** General information

This section must contain the following information:

- 1) Any capital alteration during the twelve months preceding the submission of the cross listing application to the Exchange;
- 2) Procedures and policies for capital alteration;
- 3) dividends distribution policy, including any details of any distribution made during the previous three years;
- 4) Details of any debt conversion and conditions to exercise the right;
- 5) Details of any interruption in the business of the foreign issuer, which may have or has had a significant effect on the financial position within the last 12 months; and

- 6) Information on any appointed market maker in the foreign market where the foreign issuer is listed or any market maker appointed in any other financial market where the foreign issuer is listed, including the market maker's obligations (where applicable).

**Ninth:** Declarations of the Board of Directors

This section shall include the following Board of directors' declarations:

- 1) the cross listing does not constitute a breach of any contract/agreement entered into by the issuer.
- 2) all material legal issues concerning the issuer have been disclosed in this document.
- 3) the issuer comply with Corporate Governance Regulations and the disclosure requirements set out in the Corporate Governance Regulations and the continuing obligations as set out in the Rules on the offer of Securities and Continuing obligation.
- 4) other than what has been mentioned on page (•) of this document, the issuer and its subsidiaries are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position
- 5) other than what has been mentioned on page (•) of this document, the directors are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position.
- 6) other than what has been mentioned on page (●) of this document, there has not been any interruption in the business of the issuer or any of the issuer's subsidiaries (if applicable) which may have or has had a significant effect on the financial position in the last 12 months.
- 7) other than what is mentioned on page (●) of this document, the board of directors do not have any shareholding or interest of any kind in the issuer or any of the issuer's subsidiaries (if applicable), and nor does any relative of theirs.

**Note:**

Those wishing to purchase the shares listed pursuant to this document shall investigate the validity of the information relating to the shares. A licensed financial advisor shall be consulted; if the content of this document cannot be understood.

## Annex 11

### Content of the Transfer Document to the Main Market

The transfer document to the Main Market must contain the information and documents mentioned in the following sections as minimum:

**First:** Cover page

This section must include the following information:

- 1) the issuer's name, description, incorporation information.
- 2) a summary of the issuer's shares including share class and rights.
- 3) the issuer's activities.
- 4) substantial shareholders showing their ownership percentages and number of their shares.
- 5) a statement indicating to the importance of reverting to the "important notice" and "risk factors" set out in section 2 and section 6 of this Annex before taking the investment decision.
- 6) the following declaration:

"This transfer document includes information provided as part of the application for transfer to the Main Market in compliance with the Listing Rules of the Saudi Stock Exchange. The directors, whose names appear on page [\*], collectively and individually accept full responsibility for the accuracy of the information contained in this transfer document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The Authority and the Exchange do not take any responsibility for the content of this document, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document."

**Second:** Important notice

This section must include a notice which shows the purpose of the transfer document and the nature of information mentioned in it.

**Third:** Corporate directory

This section must include the following:

- 1) The issuer's and its representatives' contact information, including addresses, telephone and fax numbers, e-mail addresses, and the issuer's website.
- 2) The contact information, including addresses, telephone and fax numbers, and website and e-mail addresses, for each of the parties listed below:
  - a) the financial advisor.
  - b) the legal advisor.

**Fourth:** the time schedule of the transfer process

This section must contain a detailed time schedule which includes the following important dates:

- 1) the expected date of cancelling the listing of the Issuer's shares from the Parallel Market.

- 2) the expected date of listing and the start of trading of the Issuer's shares in the Main Market.

**Fifth:** terms and definitions

This section must include a table containing all terms and definitions used in the transfer document.

**Sixth:** Risk Factors

This section must contain the following information related to risk factors:

- 1) The issuer;
- 2) The Exchange and the sector in which the issuer operates;
- 3) The securities listed on the Main Market.

**Seventh:** the purpose of transferring to the Main Market

This section must contain information highlighting the benefits to the issuer and its shareholders from the transfer to the Main Market.

**Eighth:** Legal information and declarations of the Board of Directors

This section shall include the following Board of directors' declarations:

- 1) the transfer does not constitute a breach of any contract/agreement entered into by the issuer.
- 2) all material legal issues concerning the issuer have been disclosed in the transfer document.
- 3) the issuer comply with the Corporate Governance Regulations and the disclosure requirements set out in the Corporate Governance Regulations, the Companies Law and the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.
- 4) other than what has been mentioned on page (•) of this document, the issuer and its subsidiaries are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position.
- 5) other than what has been mentioned on page (•) of this document, the directors are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position.
- 6) other than what has been mentioned on page (●) of this document, there has not been any interruption in the business of the issuer or any of the issuer's subsidiaries (if applicable) which may have or has had a significant effect on the financial position in the last 12 months.
- 7) other than what is mentioned on page (●) of this document, the board of directors do not have any shareholding or interest of any kind in the issuer or any of the issuer's subsidiaries (if applicable), and nor does any relative of theirs.

**Ninth:** Financial Information and management discussion and analysis

The information required below must be provided in relation to the issuer and the issuer's subsidiaries (if applicable) for the three financial years immediately preceding the application for transfer, provided that the financial statements were prepared in accordance with the accounting standards adopted by SOCPA:

- 1) comparative tables of financial information with commentary and analysis by management of financial material information. The comparative tables must:
  - a. be prepared on a consolidated basis;
  - b. be extracted without material adjustment from audited financial statements; and
  - c. include financial information presented in a form consistent with that which is adopted in the issuer's annual financial statements.
- 2) a report by certified external auditor must be prepared in accordance with the requirements of Annex 12 of these Rules in any of the following circumstances:
  - a. where the external auditors' report on the financial statements of the issuer for any of the last three financial years immediately preceding the application for transfer has been qualified;
  - b. where the issuer has undergone restructuring during the three financial years immediately preceding the date of the application for transfer;
  - c. where any material change has been made to the accounting policies of the issuer; or
  - d. where any material adjustment has been made or is required to be made to the published audited financial statements during the periods referred above.
- 3) details of holdings, including holdings in contractually based securities or other assets whose value may be subject to fluctuations or be difficult to ascertain with certainty, significantly affecting the assessment of the issuer's financial position.
- 4) the information required below must be provided in relation to the financial, operating performance, and results of operations:
  - a. performance indicators;
  - b. the financial, operating performance, and results of operations of the main lines of business;
  - c. any seasonal or business cycles which affect the business or the financial condition;
  - d. an explanation of any material changes from year to year in the financial information;
  - e. information regarding any governmental, economic, fiscal, monetary or political policies or other factors that have materially affected, or could materially affect, directly or indirectly, the operations;
  - f. the funding structure;
  - g. particulars of any alterations in the capital of the issuer, or where material, any of the issuer's substantial subsidiaries (if applicable) within the three years immediately preceding the date of the application for transfer. Such particulars must state the price and terms of any issues by the issuers or its subsidisers; and
  - h. a table showing any capital of the issuer or any subsidiary which is under option, including the consideration for which the option was granted, and the price and duration of the option, and the name and address of the grantee, or provide an appropriate negative statement.

For the purpose of measuring the substantiality of a subsidiary, the issuer and its financial advisors must consider its impact on the investment decision in the securities and its price, including but not limited to, a subsidiary is considered substantial if it constitutes 5% or more of the total assets, liabilities, revenues or profits of the issuer, or any potential obligations or on it.

- 5) property, plant and equipment:
  - a. a breakdown of any existing material fixed assets, including leased properties;

- b. an explanation of the issuer's depreciation policy and any changes contemplated in that policy; and
  - c. any planned material fixed assets, including leased properties.
- 6) in relation to debt, a statement on a consolidated basis as at the most recent date must be prepared covering the following:
- a. a breakdown and classification of any debt instruments issued and outstanding, and authorised or otherwise created but unissued, and term loans, distinguishing between guaranteed, unguaranteed, secured (whether the pledge is provided by the issuer or by third parties) and unsecured loans, or provide an appropriate negative statement;
  - b. a breakdown and classification of all other borrowing or indebtedness, including bank overdrafts, liabilities under acceptances, acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowing and debt, or provide an appropriate negative statement;
  - c. a breakdown and classification of all mortgages, rights and charges on the issuer and its subsidiaries' properties, or provide an appropriate negative statement; and
  - d. a breakdown of any contingent liabilities or guarantees, or provide an appropriate negative statement.
- 7) A statement by the directors of any material adverse change in the financial or trading position in the three financial years preceding the application for transfer and during the period from the end of the period covered in the external auditors' report up to and including the date of approval of the transfer document, or provide an appropriate negative statement.
- 8) Particulars of any commissions, discounts, brokerages or other non-cash compensation granted within the three years immediately preceding the application for transfer in connection with the shares relating to the transfer by the issuer or any of the issuer's subsidiaries (if applicable), together with the names of any directors, proposed directors, senior executives, persons placing the shares relating to the transfer or experts who received any such payment or benefit or provide an appropriate negative statement.

**Note:**

When submitting the transfer document, the Issuer must attach the following:

- 1- the advisors' consent letters to use their names, logos and statements in this document;
- 2- the authorisation letters or powers of attorney of the representatives of the issuer empowering them to sign this document; and
- 3- an electronic copy of this document in Arabic signed on each page by the Issuer's representatives whom authorized to sign before its published.

## Annex 12

### EXTERNAL AUDITOR'S REPORT

*[to be provided on the External Auditor's letterhead]*

The external auditor's report must be prepared by an independent external auditor who is a current member certified by SOCPA.

**First:** Contents of external auditor's report:

- 1) The report must cover the issuer and its subsidiaries (if applicable).
- 2) The report must be extracted from the audited financial statements and adjusted as considered necessary by the reporting external auditor.
- 3) The report must be prepared in accordance with the accounting standards issued by SOCPA.
- 4) The report must include the following financial information, presented in a form consistent with that which is adopted in the issuer's annual financial statements, and must cover the three financial years immediately preceding the application for transfer subject to the relevant transfer document:
  - a. balance sheet;
  - b. income statement;
  - c. cash flow statement;
  - d. accounting policies; and
  - e. any notes to the financial statements covering, as a minimum, the last three financial years.
- 5) The report must contain an opinion by the external auditor as to whether or not, for the purposes for which it was prepared, the report gives a true and fair view of the financial matters set out therein.
- 6) If the opinion in paragraph (5) above is qualified, the report must refer to all material matters about which the external auditor has reservations, give all reasons for the qualifications and, if both relevant and practicable, quantify its effect.
- 7) In the event that the issuer is applying for transfer, the last reviewed interim financial statements or the last audited annual financial statements of the Issuer (whichever is later), must not include any qualification.

**Second:** Statement of adjustments

If the external auditor, when preparing his report, considers it necessary to effect adjustments to previously published figures, such adjustments must be limited to those that the external auditor considers necessary. The external auditor must prepare and sign a written statement of the adjustments, and submit it to the Authority for each period to which the report relates, in such form and detail and with such explanation as will show how the reported figures reconcile to the corresponding information in the published accounts. The statement of adjustments must be made available for inspection.

**Third:** Material acquisitions and disposals made during the period under review

- 1) Where the issuer has acquired at any time during the three financial years immediately preceding the transfer that are subject to the report, an undertaking or assets which would be classified as material by the Authority, financial information on the undertaking or assets must be given covering the last three years. An acquisition or disposition will be material where the consideration due in respect of such acquisition or disposition is greater than 15% of the net book value of the existing net assets of the issuer and its subsidiaries (if applicable).
- 2) The external auditor's report must include the post-acquisition information on the issuer and its subsidiaries and relevant undertaking referred to in paragraph (1) above.
- 3) Where the issuer has, since the date to which the latest published annual financial statements have been made up, acquired or disposed of an undertaking or assets which would be classified as material by the Authority, a pro forma net assets statement showing the effect of the acquisition or disposal on the net assets must be submitted.



## **Annex 13**

### **Form of a Legal Advisor's Letter related to the application for transfer to the Main Market**

*[to be provided on the Legal Advisor's letterhead]*

To: The Saudi Stock Exchange

We act as legal advisor to [please insert the name of the issuer] (referred to hereinafter as "issuer") in respect of the issuer's application for transfer to the Main Market.

We further refer to the transfer document to the Main Market draft prepared in relation to the issuer, and more specifically, in connection with the application to The Saudi Stock Exchange for the transfer to the Main Market of the issuer. We have, in relation to the application, and in consultation with the financial advisor to the application, advised the issuer in relation to the requirements of Article 44 of the Listing Rules.

In particular, we have advised the issuer on the content of the legal sections of the transfer document to the Main market draft. In this respect, we have carried out such further review and enquiries as we consider appropriate in the circumstances and have undertaken a formal legal due diligence review.

In our capacity as such counsel, we confirm that we are not aware of any material matter of noncompliance by the issuer with the requirements of the Capital Market Law its Implementing Regulations and the Exchange Rules including any conditions imposed by the Corporate Governance Rules, Rules on the Offer of Securities and Continuing Obligations and the Listing Rules imposed on the listed companies on the Main Market, including the content requirements in relation to transfer document to the Main Market as at the date hereof.