



KINGDOM OF SAUDI ARABIA

Capital Market Authority

**RULES ON THE OFFER OF SECURITIES AND
CONTINUING OBLIGATIONS**

**Issued by the Board of the Capital Market Authority
Pursuant to its Resolution Number 3-123-2017
Dated 9/4/1439H Corresponding to 27/12/2017G
Based on the Capital Market Law
issued by Royal Decree No. M/30 dated 2/6/1424H**

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Arabic is the official language of the Capital Market Authority

Important Notice:

The current version of these Rules, as may be amended, can be found at the CMA website: www.cma.org.sa



TABLE OF CONTENTS

Part 1: General Provisions

- Article 1: Scope and application
- Article 2: Preliminary Provisions
- Article 3: Types of offers of securities
- Article 4: Liability for incorrect or incomplete documents

Part 2: Exempt Offers

- Article 5: Scope and application
- Article 6: Exempt offers

Part 3: Private Placement Offer

Chapter 1: Conditions for Private Placement Offer

- Article 7: Scope and application
- Article 8: Types of private placement offer
- Article 9: Limited Offers
- Article 10: Private placement requirements
- Article 11: Responsibilities and obligations of Capital Market Institutions
- Article 12: Information to investors and private placement advertisements
- Article 13: No continuing obligations
- Article 14: Secondary market activity

Chapter 2: Registration of Debt Instruments Offered by way of Private Placement for the Purpose of Direct Listing on the Exchange

- Article 15: Scope and Application
- Article 16: Requirement to comply with the Listing Rules
- Article 17: Required Approvals
- Article 18: Appointment of representatives of the issuer
- Article 19: Appointment of advisors
- Article 20: Requirements and obligations of the financial advisor
- Article 21: Requirements and obligations of the legal advisor
- Article 22: Conditions for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange
- Article 23: Requirement to submit an application for registration to the Authority



Article 24: Supporting documents

Article 25: Registration document for registration of debt instruments offered by way private placement for the purpose of direct listing on the Exchange

Article 26: Supplementary Registration Document

Article 27: Authority powers in relation to the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange

Article 28: Publication of the registration document and formal notices

Article 29: Dissemination of information

Article 30: Continuing obligations

Article 31: Dormant applications

Article 32: Fees

Part 4: Public Offer

Chapter 1: General Provisions

Article 33: Application of the provisions on public offers

Article 34: Requirement to comply with the Listing Rules

Article 35: Required approvals

Article 36: Appointment of representatives of the issuer

Article 37: Fees

Chapter 2: Advisors to the Issuer

Article 38: Appointment of advisors

Article 39: Requirements and obligations of the financial advisor

Article 40: Requirements and obligations of the legal advisor

Chapter 3: Conditions for a Public Offer

Article 41: Conditions for a public offer of shares

Article 42: Conditions for a public offer of debt instruments

Article 43: Additional conditions for a public offer of convertible debt instruments and exchangeable debt instruments

Chapter 4: Application for Registration and Offer

Article 44: Underwriting

Article 45: Requirement to submit an application for registration and offer to the Authority

Article 46: Supporting documents

Article 47: The Prospectus



Article 48: Issuances not requiring a prospectus

Article 49: Supplementary prospectus and supplementary circular

Article 50: Authority powers in relation to the application for registration and offer

Article 51: Publication of prospectus, shareholders circular and formal notices

Article 52: Dissemination of information

Article 53: Application to employee share schemes

Article 54: Dormant applications

Part 5: Financing Transactions for Special Purposes Entity

Chapter 1: New Financing Transactions For Special Purposes Entity

Article 55: Scope and Application

Article 56: Approval of new financing transactions by the Authority

Article 57: Procedures and powers of the Authority in relation to a financing transaction application

Chapter 2: Financing Transactions Conditions for Special Purposes Entity

Article 58: Scope and Application

Article 59: Financing structures

Article 60: Appointment of a custodian

Article 61: Investor protection

Article 62: Use of proceeds

Article 63: Payments and bank accounts

Article 64: Investments

Article 65: Enforceability

Article 66: Financing transactions involving the issue of asset-linked recourse debt instruments or asset backed debt instruments

Article 67: Multiple financing transactions

Chapter 3: Investors Protection

Article 68: Investors protection

Article 69: Stop orders

Part 6: Capital Alteration

Chapter 1: Capital Increase for Issuers of Listed Shares

Article 70: Scope and application

Article 71: Application submission for capital increase of issuer of listed securities and supporting documents



Article 72: Conditions and requirements applicable to a rights issue or capital increase with the suspension of preemptive rights

Article 73: Conditions and requirements applicable to a capitalisation issue

Article 74: Conditions and requirements applicable to capital increase by debt conversion

Article 75: Conditions and requirements applicable to a capital increase to acquire a company or purchase an asset

Chapter 2: Capital Reduction for Issuers of Listed Shares

Article 76: Conditions and requirements applicable to a capital reduction

Part 7: Continuing Obligations

Chapter 1: Disclosures

Article 77: Scope and application

Article 78: Complete, clear, accurate and not misleading disclosures

Article 79: Obligation to disclose material developments

Article 80: Disclosure of specific events

Article 81: Disclosure of financial information

Article 82: Board of directors' report

Article 83: Duties of directors and senior executives

Article 84: Provision of documents to the Authority

Chapter 2: Restrictions on Dealings

Article 85: Dealings by substantial holders of shares and convertible debt instruments

Article 86: Dealings of directors and senior executives

Article 87: Restrictions on shares

Part 8: Offer or Registration in the Parallel Market

Article 88: Scope and application

Article 89: Appointment of representative of the issuer

Article 90: Appointment of advisers

Article 91: Required approvals

Article 92: Conditions for an issuer

Article 93: Requirement to submit the application to the Authority

Article 94: Dormant applications

Article 95: The Prospectus and the Registration Document

Article 96: Issuances not requiring Prospectus or Shareholders' Circular



Article 97: Supplementary Prospectus, supplementary Shareholders' Circular or Supplementary Registration Document

Article 98: Authority powers in relation to the application

Article 99: Publication of Prospectus, Shareholders' Circular, Registration Document and formal notices

Article 100: Dissemination of information

Article 101: Application submission for capital increase of issuers of shares listed in the Parallel Market

Article 102: Conditions and requirements applicable to a rights issue or capital increase with the suspension of preemptive rights

Article 103: Conditions related to a capitalisation issue

Article 104: Conditions related to increasing the capital by debt conversion

Article 105: Conditions related to capital increase for acquiring a company or purchasing an asset

Article 106: Capital reduction for issuers of shares listed on the Parallel Market

Article 107: Continuing obligations

Article 108: Fees for the Parallel Market

PART 9: Provisions Related to Reverse Takeover and Demerger

Article 109: Scope of Application

Article 110: General Provisions

Article 111: Announcement and Conditions of a Reverse Takeover

Article 112: Potential Suspension of Listing when Announcing a Reverse Takeover

Article 113: Applying Class Tests and Calculating Percentage Ratios

Article 114: Aggregation of Transactions

Article 115: Condition Relating to the Listed Company

Article 116: Shareholders' Approval

Article 117: Specialised Committee and Independent Financial Advisor

Article 118: Circular to Shareholders

Article 119: Requirements for Registration, Offering and Listing of Shares of the Demerged Entity

Article 120: Announcement of a Demerger

Part 10: Publication and Entry into Force

Article 121: Publication and entry into force

Part 11: Annexes



Annex 1: Contents of the Offering Document for Offering Shares through Securities Crowdfunding Platform

Annex 2: Contents of A Private Placement Notification in Respect of Shares and Other Securities

Annex 3: Contents of A Private Placement Notification in Respect of Debt Instruments

Annex 4: Offeror's Declaration

Annex 4 (A): Sponsor's Declaration

Annex 5: Capital Market Institutions's Declaration

Annex 6: Statement to Be Included in The Private Placement Offering Documents

Annex 6 (A): Contents of the Private Placement Offer Document for Securities issued by a Special Purposes Entity

Annex 7: Contents of a Registration Document for Registration of Debt Instruments Offered by Way Of Private Placement For An Issuer Without Securities Listed On The Exchange

Annex 8: Contents of a Registration Document for Registration of Debt Instruments Offered by Way of Private Placement for an Issuer that Has Securities Currently Listed on the Exchange

Annex 9: Content Of Application

Annex 10: Issuer's Declaration

Annex 10 (A): Sponsor's Declaration

Annex 11: Director's Declaration

Annex 11 (A): Director's Declaration in a Structure with right to recourse

Annex 12: Content of a Prospectus for Shares

Annex 13: Content Of A Prospectus For A Rights Issue

Annex 13 (A): Contents of a Prospectus for Share Issuance with the Suspension of Preemptive Rights

Annex 14: Content Of A Prospectus For Debt Instruments For An Issuer Without Securities Listed On The Exchange

Annex 14 (A): Contents Of A Prospectus For Debt-Bases Recourse Debt Instruments

Annex 14 (B): Contents Of A Prospectus For Asset-Linked Recourse Debt Instruments

Annex 15: Content Of A Prospectus For Debt Instruments For An Issuer With Securities Listed On The Exchange

Annex 16: Contents of A Prospectus for Convertible Debt Instruments or Exchangeable Debt Instruments

Annex 17: Content of a Circular for a Capital Increase by Debt Conversion

Annex 18: Contents of a Circular for a Capital Increase to Acquire a Company or Purchase an Asset

Annex 19: External Auditor's Report

Annex 20: Form of a Financial Advisor's Letter

Annex 20 (A): Form of a Financial Advisor's Letter for a Special Purposes Entity

Annex 21: Form of a Legal Advisor's Letter

Annex 21 (A): Form of a Legal Advisor's Letter for a Special Purposes Entity

Annex 22: Content of Letter Required for a Capitalisation Issue

Annex 23: Content of Letter Required for Capital Reduction

Annex 24: Content of A prospectus for parallel Market offers

Annex 24 (A): Content of A Registration Document

Annex 25: Form Of Financial Advisor's Letter With Regards To An Application For Registration And Offer On The Parallel Market

Annex 26: Contents Of Shareholders' Circular For A Capital Increase Of A Company Which Shares Are Listed On The Parallel Market By Debt Conversion

Annex 27: Contents Of Shareholders' Circular For A Capital Increase Of A Company Which Shares Are Listed On The Parallel Market To Acquire A Company Or Purchase An Asset

Annex 28: Class Tests



PART 1

General Provisions

Article 1: Scope and Application

- a) Securities may not be offered in the Kingdom except in accordance with these Rules.
- b) For the purpose of the application of these Rules, offering securities shall mean:
 - 1) issuing securities;
 - 2) inviting the public to subscribe in securities or the direct or indirect marketing of securities; or
 - 3) any statement, announcement or communication that has the effect of selling, issuing or offering securities.
- c) Offering securities mentioned in paragraph (b) of this Article shall not include preliminary negotiations or contracts entered into with or among underwriters.
- d) The provisions of these Rules shall not apply to units in investment funds including Real Estate Investment Funds.

Article 2: 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 Regulations and Rules of the Capital Market Authority, unless the contrary intention appears.
- c) Any person subject to these Rules may appeal to the Committee in respect of any decision or action that the Authority takes under these Rules.

Article 3: Types of Offers of Securities

Securities may be offered in the Kingdom by way of:

- 1) an exempt offer;
- 2) a private placement offer;
- 3) a public offer; or
- 4) a Parallel Market offer.

Article 4: Liability for Incorrect or Incomplete Documents

Liability for an incorrect or incomplete prospectus, supplementary prospectus or registration document, supplementary registration document, shareholders' circular, supplementary shareholders' circular, offering document or other documents relating to an offer or registration shall be determined in accordance with the Capital Market Law or the Companies Law, as applicable.



PART 2

Exempt Offer

Article 5: Scope and Application

The provisions of this part apply to an exempt offer of securities in the Kingdom.

Article 6: Exempt Offer

- a) Without prejudice to the Securities Business Regulations and the Capital Market Institutions Regulations, an offer shall be exempt from the requirements of these Rules in any of the following cases:
- 1) Where the securities are issued by the government of the Kingdom.
 - 2) Offers of contractually based securities, provided that the offer of unlisted contractually based securities shall be limited to any of the following cases:
 - a. Where all offerees are investors under the categories of Institutional and Qualified Clients.
 - b. Where all offerees are employees of the issuer or of any of its affiliates.
 - 3) Where an issuer whose shares are not listed on the Exchange increases its capital by offering new shares to existing shareholders.
 - 4) Where the offeree is an affiliate of the issuer unless it is an offer of a class of shares that is listed on the Exchange.
 - 5) Where all of the offerees are employees of the issuer or of any of its affiliates unless it is an offer of a class of shares that is listed on the Exchange.
 - 6) Offers in an insolvency situation where shares are offered to creditors.
 - 7) Where an issuer whose shares are not listed on the Exchange increases its capital by way of debt conversion.
 - 8) Where the subscription in total value for the securities being offered is less than 10 million SR or an equivalent amount, in accordance to the following conditions:
 - a. The offer shall be not made more than one time during the twelve months after the completion of the offer.
 - b. Subscription in the offered securities shall be limited to (50) offerees or less (excluding investors under the categories of Institutional and Qualified Clients) provided that the amount payable per offeree (excluding investors under the categories of Institutional and Qualified Clients) shall not exceed two hundred thousand SR or an equivalent amount.
 - c. Declaration by the offeree who participate in the subscription for such offered securities (excluding investors under the categories of Institutional and Qualified Clients) to the offeror or the Capital Market Institution (if the offer is carried out through a Capital Market Institution) of its acknowledgment to the risks associated with the investment, including what may result in loss of the full amount of the investment, and the that the Authority shall



not give any assurance as to the accuracy and completeness of the documents related to the Offering or its completeness, and expressly disclaim any liability whatsoever for any loss arising from or incurred in reliance upon any part of these documents, and its acknowledgment that the offeror or the Capital Market Institution (if the offer is carried out through a Capital Market Institution) does not have to notify the Authority of the suitability of such an investment.

- 9) If the offering is made through a capital market institution authorised to carry out arranging activities in the course of carrying out securities crowdfunding, in accordance with the following requirements and conditions:
- a. The offering shall be for new shares in the issuer, and the issuer shall not use the proceeds of the offering to provide loans or invest in other entities or companies or in investment funds.
 - b. The issuer is not a company whose shares are listed on the Exchange, or a company wholly-owned by a company whose shares are listed on the Exchange, or any other issuer or other category of issuers as determined by the Authority.
 - c. The total value for the offered shares of the same class through all securities crowdfunding platforms or a limited offering of the same issuer –during the (12) months following the end of the offering– shall not exceed ten million SR or its equivalent, and that the offering through a securities crowdfunding platform shall not coincide with any other offering for the same issuer through another securities crowdfunding platform or a private placement.
 - d. The offering shall be limited to clients registered with the securities crowdfunding platform, and the amount incurred by each retail client’s subscription shall not exceed (25,000) SR or its equivalent for each offering.
 - e. Retail clients shall not be allowed to participate in subscribing in the shares of an issuer that was not established in the Kingdom.
 - f. The issuer shall prepare an offering document in accordance with the requirements of Annex (١) of these rules, and that the offering document is available to clients registered with the securities crowdfunding platform through the website of the capital market institution at least five days prior to the date specified to start the offering.
 - g. The offering period shall not exceed (45) days, and the total proceeds of the offering during that period shall not be less than (80%) of the total value of the offering that was disclosed in the offering document. In the event that the offering is not completed, the capital market institution must return the subscription amounts to the subscribers –without imposing any fees– within a period not exceeding (5) days from the end of the offering period.
 - h. The capital market institution shall allow its retail client who has subscribed to cancel his subscription within (48) hours from the time of submitting the subscription application or until the end of the offering period (whichever comes first), and the capital market institution shall inform its client who has subscribed in the offered shares –immediately and without delay– of the completion of the offering or its cancellation and when its shares are registered in the issuer’s shareholders register.
 - i. If a material change occurred to the offering document prior to the start of the offering or after the start of the offering and before its end, the issuer must notify the capital market institution as soon as it becomes aware of such change. In this case, the capital market institution may, at its discretion, request the issuer to resubmit the offering document, and it may also re-impose the five-day period stipulated in subparagraph (f/9) of paragraph (a)



of this Article. The capital market institution must notify its client who has subscribed in the offered shares immediately and without delay of that change, and the client who subscribed before being notified of that change has the right to cancel or amend his subscription before the end of the offering period.

- j. If a material change occurred on the information disclosed in the offering document after the end of the offering period and before the client who subscribed in the offered shares is registered in the issuer's shareholders register, the issuer must notify the capital market institution as soon as it becomes aware of such change. The capital market institution must notify its client who has subscribed in the offered shares immediately and without delay of that change, and the client who subscribed in the offered shares has the right to cancel or amend his subscription.
- b) The offeror or the Capital Market Institution (if the offer is carried out through a Capital Market Institution) shall, when making an exempt offer, notify the Authority on a quarterly basis of the total number and value of the exempt offers the Capital Market Institution has made. In addition, the following information must be submitted to the Authority in respect of each exempt offer:
- 1) type of exempt offer;
 - 2) categories of the offerees;
 - 3) amount paid by each offeree category in Saudi riyals;
 - 4) date of the commencement of the offering;
 - 5) date of the completion of the offering;
 - 6) name and nationality of the issuer;
 - 7) name and nationality of the offeror;
 - 8) price paid for each security;
 - 9) type of security; and
 - 10) total size of the offering.
 - 11) Information of clients who subscribed in shares if the offering was in accordance with subparagraph (9) of paragraph (a) of this Article, with a statement of any contravention of the requirements and conditions imposed therein (if any).
 - 12) Declaration by the offeree indicated in subparagraph (c) of paragraph (8) of this Article, including the following information:
 - a. The total amount payable per offeree who participate in the subscription for such securities and the number and description of the securities.
 - b. Name of the offeree who participate in the subscription for such securities and its passport number or National ID and signature.
 - c. Declaration date.
- c) The notification referred to in paragraph (b) of this Article must contain the information related to offers that are not complete as follows:



- 1) on-going offerings;
 - 2) name of relevant issuer;
 - 3) name of relevant offeror;
 - 4) the expected date of completion of the offering; and
 - 5) type and class of the offered securities.
- d) A person (referred to as a “transferor”) who has acquired shares pursuant to subparagraph (9) of paragraph (a) of this article, may not offer or sell such shares to any person (referred to as a “transferee”) unless the offer or sale is made through a Capital Market Institution and where one of the following requirements is met:
- 1) the price to be paid for the shares does not exceed (25) thousand SR or an equivalent amount;
 - 2) the shares are offered or sold to an investor under the categories of Institutional and Qualified Clients;
 - 3) the shares are being offered or sold in such other circumstances as the Authority may prescribe for these purposes.
- e) If the requirement in subparagraph (1) of paragraph (d) of this Article cannot be fulfilled because the price of the shares being offered or sold to the transferee has increased since the date of the original offering, the transferor may offer or sell shares to the transferee if their purchase price during the period of the original offering did not exceed 25 thousand SR or an equivalent amount.
- f) If the requirement in paragraph (e) of this Article cannot be fulfilled, a transferor may offer or sell the shares if he sells his entire holding of such shares to one transferee.
- g) The provisions of paragraphs (d), (e) and (f) of this Article shall apply to all subsequent transferees of such shares.
- h) The restrictions in paragraphs (d), (e), (f), and (g) of this Article shall cease to apply upon approval of listing on the Exchange of shares of the same class as the shares that are subject to such restrictions.



PART 3

Private Placement Offer

Chapter 1: Private Placement Offer Conditions

Article 7: Scope and Application

The provisions of this Part apply to a private placement of securities in the Kingdom.

Article 8: Types of Private Placement Offer

- a) An offer of securities is a private placement where it is not an exempt offer, public offer or a Parallel Market Offer and falls under any of the following cases:
 - 1) the subscription is restricted to investors under the categories of Institutional and Qualified clients; or
 - 2) the offer is a limited offer.
- b) The Authority may, in circumstances other than those described in paragraph (a) of this Article and upon application of a person seeking to make an offer of securities, determine that such an offer shall be treated as a private placement subject to compliance with such limitations as the Authority may impose.

Article 9: Limited Offers

- a) An offer of securities is a limited offer if at the subscription is limited to no more than (100) offerees (excluding investors under the categories of Institutional and Qualified Clients) and the amount payable per offeree does not exceed (200) thousand SR or an equivalent amount.
- b) Securities of the same class may not be offered as a limited offer under paragraph (a) of this Article more than once in a twelve-month period ending with the date of the offer in question.

Article 10: Private Placement Requirements

- a) No person may offer securities by way of private placement unless the following requirements are met:
 - 1) the offer is made through a Capital Market Institution licensed to carry out arranging activities; and
 - 2) the offeror notifies the Authority in accordance with Annexes (2) or (3) of these Rules (as applicable) at least ten days prior to the proposed date of the offer and submits the following to the Authority:
 - a. a declaration by the offeror in the form set out in Annex (4) of these Rules. Or a declaration by the sponsor in the form set out in Annex (4)(a) of these Rules if the offer was made by a special purposes entity;
 - b. a declaration from the Capital Market Institution through which the offer is made, in the form set out in Annex (5) of these Rules; and
 - c. copies of any offering documents to be used in advertising the offer.



- b) If a material change to the offering documents mentioned in paragraph (a) of this Article arises after their date of submission to the Authority and prior to the start of the offer or after the start of the offer and before its end, the offeror must immediately notify the Authority of such change upon knowledge. The Authority, in its own discretion, may then require the offeror to re-file the offering documents. At the discretion of the Authority, such re-filing may re-start the ten-day notice period referred to in subparagraph (2) of paragraph (a) of this Article.
- c) If having received the private placement notification and the information provided under in subparagraph (2) of paragraph (a) of this Article the Authority considers that the proposed offer of securities may not be in the interest of the investors or may result in a breach of the Capital Market Law or its Implementing Regulations, then it may take the following actions:
 - 1) carry out any enquiries which it considers appropriate including requiring the concerned person or its representative to appear before the Authority to answer the questions of the Authority and to explain any matters that the Authority considers relevant to the private placement offering; or
 - 2) require the concerned person or others to provide additional information or to confirm, in such manner as the Authority may specify, that the information provided is accurate.
- d) If, having taken action pursuant to paragraph (c) of this Article, the Authority determines that the private placement is not in the interest of the investors or may result in a breach of the Capital Market Law or its Implementing Regulations, the Authority may after giving the offeror a suitable opportunity to be heard, issue a notification to the offeror stating that the offer is not to be made, or publish a notice prohibiting the offer, sale or transfer of the securities to which the private placement relates.
- e) After the offer has completed, the offeror or the Capital Market Institution must provide the Authority within ten days a list of the categories of all persons who have acquired the securities and details of the total proceeds of the offer.
- f) Where the offer is not completed by the proposed offer end date specified in the private placement notification provided to the Authority in accordance with subparagraph (2) of paragraph (a) of this Article, the offeror or the Capital Market Institution must provide the Authority within ten days with a notification in writing signed by the offeror confirming that the offer has failed to complete. The offeror or the Capital Market Institution may extend the offering period, provided that such extension shall be notified to the Authority before the end date of the offer period.
- g) Without prejudice to paragraph (e) of this Article, the offeror or the Capital Market Institution, in case where the offer is a debt instruments issuance program, must provide the Authority within ten days from the completion of the offering of each issuance of a programme the details of the total proceeds and the issuance terms and conditions.
- h) The Issuer, in case where the Issuer is a Saudi joint-stock company or a special purpose entity whose Beneficiary is a Saudi joint-stock company, must deposit Saudi Riyal-denominated debt instruments with the Depository Center within a period not exceeding ten days from the completion of the offering or the completion of the offering of each issuance if the offering was part of a debt instruments issuance program, provided that the request to deposit such debt instruments with the Depository Center shall be made by the Capital Market Institution through whom the private placement is made.
- i) Without prejudice to the provisions of this Article, the issuer whose shares are listed in the Exchange, when offering convertible debt instruments by way of a private placement, shall be subject to the following conditions:



- 1) The number of shares into which convertible debt instruments may be converted shall not exceed 15% of the issuer's total number of shares.
- 2) Convertible debt instruments shall not be offered by way of a private placement more than once during the twelve months following the end of the offer.
- 3) The issuer shall submit an application to the Authority for the registration of the shares resulting from conversion of convertible debt instruments in accordance with the requirements of these Rules and as prescribed by the Authority.

Article 11: Responsibilities and Obligations of the Capital Market Institution

The Capital Market Institution through which the offer is made must:

- a) ensure that all of the conditions and requirements in paragraphs (a), (e), (f), (g), and (h) of Article (10) and Article (12) of these Rules have been fulfilled.
- b) disclose the issuance profile for the debt instruments referred to in paragraph (h) of Article 10 of these Rules on the Exchange's website in accordance with the form prescribed by the Authority within a period not exceeding ten days from the completion of the offering or the completion of the offering of each issuance if the offering was part of a debt instruments issuance program.

Article 12: Information to Investors and Private Placement Advertisements

- a) The offeror must ensure that investors are provided with sufficient information on the private placement to enable them to make an informed investment decision and that such information is complete, clear, correct and not misleading.
- b) The private placement offering documents to be used in advertising the offer must contain a prominent statement in the form set out in Annex (6) of these Rules. The private placement offer documents, used in the announcement by a special purposes entity, shall contain a clear statement in the form set out in Annex (6)(a) of these Rules.
- c) No person may make or communicate a securities advertisement (as defined in the Securities Business Regulations) in respect of a private placement unless the securities advertisement complies with the applicable provisions of the Securities Business Regulations and the Capital Market Institutions Regulations.

Article 13: No Continuing Obligations

Except as set out in the provisions of this Part, an offeror of securities by way of a private placement is not required to inform the Authority of any material developments relating to such securities.

Article 14: Secondary Market Activity

- a) A person (referred to as a "transferor") who has acquired securities pursuant to a private placement may not offer or sell such securities to any person (referred to as a "transferee") unless the offer or sale is made through a Capital Market Institution and where one of the following requirements is met:
 - 1) the price to be paid for the securities in any one transaction does not exceed (200) thousand SR or an equivalent amount;
 - 2) the securities are offered or sold to an investor under the categories of Institutional and Qualified Clients; or



- 3) the securities are being offered or sold in such other circumstances as the Authority may prescribe for these purposes.
- b) If the requirement in subparagraph (1) of paragraph (a) of this Article cannot be fulfilled because the price of the securities being offered or sold to the transferee has increased since the date of the original private placement, the transferor may offer or sell securities to the transferee if their purchase price during the period of the original private placement did not exceed 200 thousand SR or an equivalent amount.
- c) If the requirement in paragraph (b) of this Article cannot be fulfilled, a transferor may offer or sell the securities if he sells his entire holding of such securities to one transferee.
- d) The provisions of paragraphs (a), (b) and (c) of this Article shall apply to all subsequent transferees of such securities.
- e) The restrictions in this Article shall cease to apply upon approval of listing on the Exchange of securities of the same class as the securities that are subject to such restrictions.

Chapter 2: Registration of Debt Instruments Offered by way of Private Placement for the Purpose of Direct Listing on the Exchange

Article 15: Scope and Application

This chapter aims to regulate the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange in the Kingdom.

Article 16: Requirement to Comply with the Listing Rules

An offeror may not register debt instruments offered by way of private placement for the purpose of direct listing on the Exchange without making prior arrangements for listing those securities on the Exchange in accordance with the Listing Rules.

Article 17: Required Approvals

The issuer may not register debt instruments offered by way of private placement for the purpose of direct listing on the Exchange without obtaining all approvals required pursuant to the issuer's bylaws and the Companies Law and its Implementing Regulations, and ensure that there are no restrictions preventing their registration and direct listing. In case of registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by a special purposes entity, the debt instruments offered by way of private placement may not be registered unless the approval of the board of special purposes entity and the sponsor's board.

Article 18: Appointment of Representatives of the Issuer

- a) The issuer must appoint two representatives, one of whom must be a director and the other must be a senior executive, to act as its representatives before the Authority for all relevant purposes relating to the Capital Market Law, the Companies Law, their Implementing Regulations, other relevant laws and these Rules. In case where the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is made by a special purposes entity, such entity and the sponsor shall appoint representatives for each of them, to attend before the authority in matters related to these Rules, provided that the entity's representatives shall be from the board members, while the sponsor's representatives are a board member and a senior executive.



- b) The issuer must provide details in writing of how its representatives may be contacted including office, mobile number, and electronic mail address, in addition to written details regarding the methods of contacting the sponsor's representatives if the offer was made by a special purposes entity.
- c) The issuer and its representatives, referred to in paragraph (a) of this Article, must provide the Authority, without delay, with all the information, clarifications, books, records and forms that the Authority requests from them, for the purpose of implementing the Capital Market Law, the Companies Law, their Implementing Regulations, other relevant laws and these Rules. Which must be complete, clear, correct, and not misleading.

Article 19: Appointment of Advisors

- a) Where an issuer makes an application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, the issuer must appoint a financial advisor and a legal advisor.
- b) By way of exception from paragraph (a) of this Article, the appointment of a legal advisor is not required if the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is submitted by an issuer who has securities listed on the Exchange.
- c) The issuer of debt instruments offered by way of private placement that were listed by way of direct listing on the Exchange must appoint a financial advisor and a legal advisor when submitting an application for the voluntary cancellation of listing pursuant to the Listing Rules.
- d) The Authority may, at any times, require the issuer to appoint a financial advisor and\ legal advisor or both, or any other advisors, to advise the issuer on the application of the Capital Market Law, its Implementing Regulations, the Exchange Rules, the Companies Law or its Implementing Regulations.
- e) Where a legal advisor (if any) or a financial advisor gives advice to an issuer in relation to the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange or any matter related to the application of these Rules, the Capital Market Law, its Implementing Regulations or the Exchange Rules, it must ensure that it gives appropriate advice in accordance with the rules of its profession.

Article 20: Requirements and Obligations of the Financial Advisor

- a) The financial advisor must be authorised by the Authority to carry out arranging activities and any other securities business related to the services which the financial advisor agreed with the issuer to provide.
- b) Upon an application to the Authority of an issuer for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, the financial advisor must:
 - 1) be the main point of contact for the Authority in relation to the application.



- 2) satisfy itself, having conducted due diligence and made enquiry from the issuer and its advisors, that the issuer has satisfied all conditions required for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange and has satisfied all other relevant requirements;
 - 3) provide to the Authority any information or clarifications in such form and within such time limit as the Authority may require for the purpose of verifying whether the financial advisor and the issuer have complied with the Capital Market Law, its Implementing Regulations or the Exchange Rules; and
 - 4) provide the Authority with a letter in the form set out in Annex (16) of these Rules.
- c) If matters which should be taken into account by the Authority come to the attention of the financial advisor during the period between the provision of the letter described in subparagraph (4) of paragraph (b) or subparagraph (4) of paragraph (d) of this Article (as applicable) and the completion of direct listing of the debt instruments offered by way of private placement, the financial advisor must notify the Authority thereof without delay.
- d) In the event that the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is made by a special purpose entity, the financial advisor shall, upon submitting an application to the Authority for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, comply with the following:
- 1) To be the main point of contact with the Authority in relation to the application.
 - 2) Ensure, after performing due diligence, and ask the special purposes entity, the sponsor and their advisors, that the sponsor and the special purposes entity have met all the conditions required to register the entity's debt instruments offered by way of private placement for the purpose of direct listing on the Exchange and any other related requirements.
 - 3) provide any information or clarifications to the Authority as required within the time limit set by it for the purpose of verifying the compliance of the financial advisor, sponsor and special purposes entity of the Capital Market Law and its Implementing Regulations and Exchange Rules.
 - 4) Submit a letter to the Authority as contained in Annex (20)(a) of these Rules.

Article 21: Requirements and Obligations of the Legal Advisor

- a) The legal advisor must be licensed to practice law in the Kingdom.
- b) On an application of an issuer for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, the legal advisor to the issuer must provide the Authority with a letter in the form set out at Annexes (21) or (21)(a) of these Rules.



Article 22: Conditions for Registration of Debt Instruments Offered by way of Private Placement for the Purpose of Direct Listing on the Exchange

The conditions for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange are:

- 1) The issuer must be a joint stock company, or a special purposes entity authorised in accordance with the Rules for Special Purposes Entities.
- 2) Any application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange must be accompanied by a registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.
- 3) When submitting an application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, the issuer must have been carrying on, either by itself or through one or more of its subsidiaries, the same main activity for at least the previous three years before submitting the application.
- 4) When submitting an application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, the issuer must have audited financial statements that cover at least the previous three financial years and that were prepared in accordance with the accounting standards adopted by SOCPA.
- 5) If the period covered by the most recent audited financial statements has ended more than (6) months prior to the expected date of approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, it shall submit to the Authority a reviewed interim financial statements covering any period from the date of the end of the period covered by the latest audited financial statements until the expected date of approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, or submit audited annual financial statements (as applicable). In all cases, the period covered by the latest audited interim financial statements submitted to the Authority shall not have ended more than (6) months before the date of approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.
- 6) Where the issuer has undergone material restructuring, an application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange may not be submitted until one financial year has elapsed from the date of completion of that material restructuring. For the purposes of this paragraph, "material restructuring" shall mean:
 - a. disposing any of the issuer's asset that has contributed in generating (30%) or more of the issuer's revenue or net income as per the most recent annual financial statements;
 - b. 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;
 - c. 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.
- 7) The senior executives of the issuer must have an appropriate expertise and experience for the



management of the issuer's business.

- 8) If reviewed interim financial statements are issued during the application period, the issuer must provide a copy of such statements to the Authority as soon as reasonably practicable.
- 9) Where the request to register the debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is made for debt instruments that have been or will be offered within a debt instrument issuance program, the issuer shall prepare a single registration document that covers the maximum amount of debt instruments that have been or will be offered by way of private placement within the program.
- 10) Debt instruments offered by way of private placement may not be registered for the purpose of direct listing on the Exchange unless the maturity date of the debt instruments that are the subject of the registration application is at least one calendar year after the date of the Authority's approval of the application.
- 11) Convertible debt instruments offered by way of private placement may not be registered for the purpose of direct listing on the Exchange unless the class of shares into which they may be converted is listed.
- 12) An application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange may be accepted if it does not meet the requirements of this Article if the Authority is satisfied that it will be in the interest of the investors and that investors have received the necessary information to arrive at an informed judgment concerning the issuer and the debt instruments that are the subject of the application.
- 13) Where an issuer already has securities that are listed on the Exchange, paragraphs (3), (4), (5), (6) and (8) of this Article shall not apply.
- 14) Where the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is by a special purposes entity, paragraphs (3), (4), (5) and (7) of this Article shall apply only on the sponsor.
- 15) Where the registration of asset-linked recourse debt instruments or debt-based recourse debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by a special purposes entity, paragraph (6) of this Article shall apply on the sponsor only.
- 16) Where the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by a special purposes entity, paragraph (8) of this Article shall apply on the special purposes entity and the sponsor.

Article 23: Requirement to Submit an Application for Registration to the Authority

An issuer seeking to register debt instruments offered by way of private placement for the purpose of direct listing on the Exchange must submit an application to the Authority which contains the information required under these Rules, and submit to the Exchange, at the same time, an application for listing of such securities in accordance with the provisions of the Listing Rules.



Article 24: Supporting Documents

- a) The issuer, or the sponsor if the issuer is a special purposes entity, must submit to the Authority with its application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange electronic copies of the following documents (it shall maintain original copies of such documents and submit it to the Authority at its request):
- 1) the letter of appointment of the financial advisor;
 - 2) the letter of appointment of the legal advisor;
 - 3) the authorization letters or powers of attorney of the representatives of the issuer empowering them to sign the registration document for registering debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.
 - 4) the issuer's employees list providing the contact details involved with the application at the issuer, in addition to the details of the financial advisor and the legal advisor (if any);
 - 5) a list containing the names and civil registry numbers (or the equivalent to it for non-Saudi nationals) of the directors and their relatives, senior executives and their relatives and shareholders;
 - 6) a formal letter of application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, signed by a representative of the issuer that contains the applicable information as required by Annex (9) of these Rules;
 - 7) a declaration by the issuer in the form set out in Annex (10) of these Rules, and in case the issuer is a special purposes entity, a declaration by the sponsor in the form set out in Annex (10)(a) of these Rules;
 - 8) a declaration and undertaking signed by the directors of the issuer and by each proposed director of the issuer in the form set out in Annex (11) of these Rules, and in case the issuer is a special purposes entity, a declaration and undertaking signed by the directors of the sponsor and by each proposed director of the sponsor in the form set out in Annex (11)(a) of these Rules;
 - 9) approvals required by the relevant governmental agencies, where applicable;
 - 10) evidence of the issuer obtaining the required approvals as required under Article (17) of these Rules;
 - 11) the draft registration document for registering debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, in Arabic;
 - 12) the issuer's certificate of commercial registration, or equivalent;
 - 13) the issuer's articles of association and bylaws and all amendments to date, and in case the issuer is a special purposes entity, the sponsor's articles of association and bylaws and all amendments to date;
 - 14) the audited annual financial statements of the issuer for each of the three financial years



- immediately preceding submission of the application;
- 15) the latest interim financial statements produced since the date of the most recent audited annual financial statements;
 - 16) a presentation detailing the structure of the issuer and its subsidiaries, along with a detailed description of the most recent restructuring of the issuer (if applicable);
 - 17) the letters of consent from all the advisors on the use of their names, logos and statements in the registration document;
 - 18) a letter from the financial advisor and the issuer setting out the inapplicable requirements, if no disclosure requirements under these Rules are applicable;
 - 19) a letter from the issuer's financial advisor in the form set out in Annex (20) of these Rules, and in case the issuer is a special purposes entity, a letter from the entity's financial advisor in the form set out in Annex (20)(a) of these Rules;
 - 20) a letter from the issuer's legal advisor in the form set out in Annex (21) of these Rules, and in case the issuer is a special purposes entity, a letter from the issuer's legal advisor in the form set out in Annex (21)(a) of these Rules;
 - 21) a copy of the debenture agreement or any other document constituting or securing such instruments must be included;
 - 22) in case the issuer is a special purposes entity, the agreement governing the finance with the sponsor;
 - 23) in case the issuer is a special purposes entity, the agreement with the custodian (where applicable);
 - 24) in case the issuer is a special purposes entity, any agreement governing the special purposes entity's investment or management; and
 - 25) any other documentation that may be required by the Authority.
- b) Following the approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by the Authority and prior to the direct listing, the issuer, or the sponsor if the issuer is a special purposes entity, must submit an electronic copy (and shall maintain the original copies for submission at the Authority's request) of the following documents:
- 1) A registration document for registering debt instruments offered by way of private placement for the purpose of direct listing on the Exchange in Arabic signed on every page by the representatives of the issuer who are appointed as authorised signatories;
 - 2) the latest reviewed interim financial statements (where applicable).
- c) Following the approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by the Authority, and after the



completion of the offering of each tranche of a debt issuance program but prior to the listing thereof, the following requirements must be complied with:

- 1) the issuer must submit the following documents to the Authority:
 - a. a guiding pricing supplement for each tranche under the program, signed by a duly authorised representative of the issuer, as soon as the issuer submits it to the Exchange for consideration under the Listing Rules;
 - b. the issuer's written confirmation that the debt instruments in question have been offered in accordance with the provisions of this Part.
- 2) The guiding pricing supplement of each tranche under the program must include details in respect of the issue, maturity and redemption dates (if any) of the debt instruments offered as well as the pricing details; and
- 3) the guiding pricing supplement must provide the terms and conditions of the issue, in addition to those set out in the private placement offering documents related to the debt instrument issuance program.
- d) The issuer, or the sponsor if the issuer is a special purposes entity, must retain original copies (or certified copy where appropriate) of all documents required pursuant to this Article for a period not less than ten years from the completion of the direct listing of debt instruments offered by way of private placement. Without prejudice to this period, 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.
- e) If the issuer has its securities already listed on the Exchange, subparagraphs (2), (5), (12), (13), (14), (15), (16), and (20) of paragraph (a), and subparagraph (2) of paragraph (b) of this Article shall not apply to the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.
- f) In case the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is made by a special purposes entity:
 - 1) Subparagraphs (3), (4), (5), (10), (14), (15), (18), and (20) of paragraph (a), subparagraphs (1) and (2) of paragraph (b), and paragraph (d) of this Article shall apply to the sponsor in addition to the special purposes entity.
 - 2) Subparagraph (17) of paragraph (a) of this Article shall apply only to the sponsor.

Article 25: Registration Document for Registration of Debt Instruments Offered by Way Private Placement for the Purpose of Direct Listing on the Exchange

- a) The registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange must contain all information which is necessary to enable an investor to make an assessment of the activities, assets and liabilities, financial position, management and prospects of the issuer and its profits and losses, and must include information in relation to the number and price of the debt instruments and any obligations, rights, powers and



privileges attaching to them. If the Issuer is a special purposes entity, the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange shall include all information necessary to enable the investor to evaluate the activity, assets and liabilities of the special purposes entity, in addition to the sponsor's assets, liabilities, financial position, management and prospects of the issuer and its profits and losses, and it shall include information on the number and price of debt instruments offered by way of private placement that it wishes to list and any obligations, rights, powers and privileges associated with them.

- b) Annex (7) of these Rules sets out the minimum information which must be included in the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange if issuer does not have securities listed on the Exchange.
- c) Annex (8) of these Rules sets out the minimum information which must be included in the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange where that issuer has securities currently listed on the Exchange and continues to have them listed throughout the registration and listing process.

Article 26: Supplementary Registration Document

- a) A supplementary registration document must be submitted to the Authority if, at any time after the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange has been published and before completion of the direct listing, the issuer, and the sponsor in relation to issuance of debt instruments by a special purposes entity, becomes aware that:
 - 1) there has been a significant change in material matters contained in the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange;
 - 2) additional significant matters have become known which would have been required to be included in the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.
- b) A supplementary registration document must contain the following (as applicable):
 - 1) details of the change or new matters in accordance with paragraph (a) of this Article;
 - 2) a declaration in the form specified at paragraph (9) of section (1) of Annex (7) of these Rules, or paragraph (7) of section (1) of Annex (8) of these Rules (as applicable).
 - 3) a declaration by the directors, and the sponsor's directors if the issuer is a special purposes entity, that there have been no significant changes in material matters nor additional significant matters have arisen other than what has been disclosed in the supplementary registration document; and
 - 4) a declaration by the directors, and the sponsor's directors if the issuer is a special purposes entity, that a copy of the supplementary registration document has been submitted to the Authority.



- c) Where a supplementary registration document is submitted to the Authority under this Article, it must be signed on every page by the relevant representatives of the issuer who are appointed as authorised signatories.
- d) Where a supplementary registration document is submitted to the Authority under this Article, the information contained therein must be complete and fulfils the requirements of the Capital Market Law, its Implementing Regulations and the Exchange Rules. If the information supplied suggests to the Authority that the proposed direct listing of debt instruments offered by way of private placement may not be in the interest of the investors or may result in a breach of the Capital Market Law, its Implementing Regulations or the Exchange Rules, then it may cancel its approval of the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.
- e) The supplementary registration document must not be published or otherwise made available to the public without obtaining the approval of the Authority.

Article 27: Authority Powers in Relation to the Application for Registration of Debt Instruments Offered by Way of Private Placement for the Purpose of Direct Listing on the Exchange

- a) The approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange will only be given by the Authority if:
 - 1) the Authority has received notification from the Exchange of the Exchange's conditional approval of the corresponding application for listing pursuant to the Listing Rules;
 - 2) the conditional approval mentioned under sub-paragraph (1) of this paragraph has not been withdrawn by the Exchange; and
 - 3) the Authority is satisfied that the information contained in the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is complete and fulfils the requirements of the Capital Market Law and its Implementing Regulations.
- b) The Authority will review the application within (20) days of receiving all information and documentation required pursuant to these Rules. The commencement of the period is not subject to the Authority's receipt of the notification referred to in subparagraph (1) of paragraph (a) of this Article provided that the notification must be submitted to the Authority prior to the end of the review period, otherwise the Authority may extend the review period for a term not exceeding (10) days from the date of receipt of the notification.
- c) If, having reviewed the application, the Authority considers that the proposed registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange may not be in the interest of the investors or may result in a breach of the Capital Market Law, its Implementing Regulations or the Exchange Rules, then it may take any of the following actions:
 - 1) carry out any enquiries which it considers appropriate;
 - 2) require the issuer or its representative to appear before the Authority to answer questions and



explain any matters that the Authority considers relevant to the application. In case the issuer is a special purposes entity, the Authority may require the entity or its representative and the issuer or its representative to appear before the Authority to answer questions and explain any matters that the Authority considers relevant to the application;

- 3) require the issuer or third parties to provide additional information or to confirm, in such manner as the Authority may specify, that the information provided is accurate; or
 - 4) defer making a decision for such period as may be reasonably necessary to carry out further study or examination.
- d) If, having taken action pursuant to paragraph (c) of this Article, the Authority determines that approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange may not be in the interest of the investors or may result in a breach of the Capital Market Law its Implementing Regulations or the Exchange Rules, the Authority may issue a "notification" to the issuer stating that the application has not been approved.
- e) The approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by the Authority shall be considered as an approval of the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.
- f) The registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange must not be published and made available to the public without the approval of the application for registration.

Article 28: Publication of the Registration Document and Formal Notices

- a) The issuer must publish the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange and must ensure that it is made available to the public at least (14) days prior to the direct listing of those instruments.
- b) The registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange or the supplementary registration document (as applicable) shall be made available to the public on the websites of the issuer, the Exchange, the Authority and the financial advisor.
- c) Where an issuer has published a disclosure after the publication of the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange in a local newspaper, the disclosure must contain at least the following (if applicable):
 - 1) the name and commercial registration number of the issuer, and in case the issuer is a special purposes entity; the name and commercial registration number of the entity and the name and commercial registration number of the sponsor;
 - 2) the debt instruments that are the subject of the relevant application for registration of debt instruments offered by way of private placement, and their value, type and class;



- 3) the addresses and locations where the public may obtain the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange;
- 4) the date of the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange;
- 5) a statement that the disclosure is for information only and does not constitute an invitation to acquire or purchase the debt instruments;
- 6) the names of the financial advisor, legal advisor (if any), and receiving agents; and
- 7) a disclaimer as follows:
 “The Capital Market Authority and the Saudi Stock Exchange Company take no responsibility for the contents of this disclosure, make no representations 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 disclosure.”

Article 29: Dissemination of Information

An issuer who is seeking to register debt instruments offered by way of private placement for the purpose of direct listing on the Exchange or the issuer of debt instruments offered by way of private placement that have been direct listed is subject to the provisions of Article 34 of these Rules.

Article 30: Continuing Obligations

The continuing obligations contained in Part Seven of these Rules shall apply to the issuer who submitted an application for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange from the date of direct listing of the debt instruments that are the subject of the application.

Article 31: Dormant Applications

The Authority may, at its absolute discretion, cancel an application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange where such application has in the opinion of the Authority remained dormant. The effect of such cancellation is that if the issuer then wishes to register the same debt instruments that are the subject of the cancelled application, it must make a new application in accordance with the process set out in these Rules.

Article 32: Fees

- a) An issuer who submits an application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is required to pay such fees to the Authority as the Authority specifies.
- b) An issuer whose securities are registered and have been listed is required to pay such fees to the Authority as the Authority specifies.



PART 4

Public Offer

Chapter 1: General Provisions

Article 33: Application of the Provisions on Public Offers

- a) The purpose of this Part is to regulate the registration and public offering of securities in the Kingdom.
- b) Securities may not be offered by way of a public offer except in accordance with this Part.
- c) A foreign issuer who submits an application for listing its shares in the Main Market pursuant to the Listing Rules shall be subject to Article (36) of these Rules.

Article 34: Requirement to Comply with the Listing Rules

An offeror may not offer securities to the public without making prior arrangements for listing those securities on the Exchange in accordance with the Listing Rules.

Article 35: Required Approvals

An offeror may not offer securities to the public without obtaining all approvals required pursuant to the issuer's bylaws, the Companies Law and its implementing regulations. In case where securities are publicly offered by a special purposes entity, such securities may not be offered unless the approval of the special purposes entity's and the sponsor's boards' approvals are obtained.

Article 36: Appointment of representatives of the issuer

- a) The issuer must appoint two representatives, one of whom must be a director and the other must be a senior executive, to act as its representatives before the Authority for all relevant purposes relating to the Capital Market Law, the Companies Law, their Implementing Regulations, other relevant laws and these Rules. In case where the offer is made by a special purposes entity, such entity and the sponsor shall appoint representatives for each of them, to attend before the authority in matters related to these Rules, provided that the entity's representatives shall be from the board members, while the sponsor's representatives are a board member and a senior executive.
- b) The issuer must provide details in writing of how its representatives may be contacted including office, mobile number, and electronic mail address, in addition to written details regarding the methods of contacting the sponsor's representatives if the offer was made by a special purposes entity.
- c) The issuer and its representatives, referred to in paragraph (a) of this Article, must provide the Authority, without delay, with all the information, clarifications, books, records and forms that the Authority requests from them, for the purpose of implementing the Capital Market Law, the Companies Law, their Implementing Regulations, other relevant laws and these Rules. Which must be complete, clear, correct, and not misleading.

Article 37: Fees

- a) An issuer who submits an application for registration and offer of its securities is required to pay such fees to the Authority as the Authority specifies.



- b) An issuer whose securities are registered and have been listed is required to pay such fees to the Authority as the Authority specifies.

Chapter 2: Advisors to the Issuer

Article 38: Appointment of advisors

- a) Where an issuer makes an application for registration and offer of its securities that requires the production of a prospectus or a shareholders' circular (as applicable), the issuer must appoint financial advisor and legal advisor.
- b) Where an issuer whose securities are listed submits an application for the voluntary cancellation of listing pursuant to the Listing Rules, the issuer must appoint financial advisor and legal advisor.
- c) Where an issuer whose securities are listed submits an application to reduce its capital, the issuer must appoint financial advisor.
- d) The Authority may, at any times, require the issuer to appoint a financial advisor and\ legal advisor or both, or any other advisors, to advise the issuer on the application of the Capital Market Law, its Implementing Regulations, the Exchange Rules, the Companies Law or its Implementing Regulations.
- e) Where a financial advisor or a legal advisor gives advice to an issuer in relation to the application for registration and offer of its securities or any matter related to the application of these Rules, the Capital Market Law, its Implementing Regulations or the Exchange Rules, it must ensure that it gives appropriate advice in accordance with the rules of its profession.

Article 39: Requirements and Obligations of the Financial Advisor

- a) The financial advisor must be authorised by the Authority to carry out arranging activities and any other securities business related to the services which the financial advisor agreed with the issuer to provide.
- b) Upon an application to the Authority of an issuer for registration and offer of securities, the financial advisor must:
- 1) be the main point of contact for the Authority in relation to the application for registration and offer of the securities;
 - 2) satisfy itself, having conducted due diligence and made enquiry from the issuer and its advisors, that the issuer has satisfied all conditions required for the registration and offer of the securities and has satisfied all other relevant requirements;
 - 3) provide to the Authority any information or clarifications in such form and within such time limit as the Authority may require for the purpose of verifying whether the financial advisor and the issuer have complied with the Capital Market Law, its Implementing Regulations or the Exchange Rules; and
 - 4) provide the Authority with a letter in the form set out in Annex (20) of these Rules.
- c) If matters which should be taken into account by the Authority come to the attention of the financial advisor during the period between the provision of the letter described in subparagraph (4) of paragraph (b) or subparagraph (4) of paragraph (d) of this Article (as applicable) and the completion of the offer, the financial advisor must notify the Authority thereof without delay.



- d) In the event that the offer is made by a special purpose entity, the financial advisor shall, upon submitting an application to the Authority for offering and listing securities, comply with the following:
- 1) To be the main point of contact with the Authority in relation to the application.
 - 2) Ensure, after performing due diligence, and ask the special purpose entity, the sponsor and their advisors, that the sponsor and the special purpose entity have met all the conditions required to list and offer the entity's securities and any other related requirements.
 - 3) provide any information or clarifications to the Authority as required within the time limit set by it for the purpose of verifying the compliance of the financial advisor, sponsor and special purpose entity of the Capital Market Law and its Implementing Regulations and Exchange Rules.
 - 4) Submit a letter to the Authority as contained in Annex (20)(a) of these Rules.

Article 40: Requirements and Obligations of the Legal Advisor

- a) The legal advisor must be licensed to practise law in the Kingdom.
- b) On an application of an issuer for the registration and offer of its securities, the legal advisor to the issuer must provide the Authority with a letter in the form set out at Annexes (21) or (21)(a) of these Rules.

Chapter 3: Conditions for a Public Offer

Article 41: Conditions for a Public Offer of Shares

The conditions for making a public offer of shares are:

- 1) The issuer must be a joint stock company.
- 2) Any application for registration and offer of securities must be accompanied by a prospectus, except where a prospectus is not required under these Rules.
- 3) When submitting an application for registration and offer of securities, the issuer must have been carrying on, either by itself or through one or more of its subsidiaries, the same main activity for at least the previous three years before submitting the application for registration and offer of securities.
- 4) When submitting an application for registration and offer of securities, the issuer must have audited financial statements that cover at least the previous three financial years and that were prepared in accordance with the accounting standards adopted by SOCPA.
- 5) If the period covered by the most recent audited financial statements has ended more than six months prior to the expected date of approval of the application for registration and offer of securities, it shall submit to the Authority a reviewed interim financial statements covering any period from the date of the end of the period covered by the latest audited financial statements until the expected date of approval of the application for registration and offer of securities, or submit audited annual financial statements (as applicable). In all cases, the period covered by the latest audited interim financial statements submitted to the Authority shall not have ended more than (6) months before the date of approval of the application for registration and offer of securities.



- 6) Where the issuer has undergone material restructuring, an application for registration and offer of securities may not be submitted until one financial year has elapsed from the date of completion of that material restructuring. For the purposes of this paragraph, "material restructuring" shall mean:
 - a. disposing any of the issuer's asset that has contributed in generating (30%) or more of the issuer's revenue or net income as per the most recent annual financial statements;
 - b. 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;
 - c. 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.
- 7) The senior executives of the issuer must have an appropriate expertise and experience for the management of the issuer's business.
- 8) An issuer must, on its own or with its subsidiaries (if any) hold sufficient working capital to continue operating for at least the twelve months immediately following the date of publication of the prospectus.
- 9) If reviewed interim financial statements are issued during the application period, the issuer must provide a copy of such statements to the Authority as soon as reasonably practicable.
- 10) An application for registration and offer of securities may be accepted if it does not meet the requirements of this Article if the Authority is satisfied that it will be in the interest of the investors and that the investors have received the necessary information to arrive at an informed judgment concerning the issuer and the securities that are the subject of the application.
- 11) Where an issuer already has securities that are listed on the Exchange, paragraphs (3), (4), (5), (6), (8) and (9) of this Article shall not apply.

Article 42: Conditions for a Public Offer of Debt Instruments

- a) The issuance of debt instruments shall be in accordance with the conditions set out in Article (41) of these Rules as applicable. And where the offer is made by a special purposes entity, the issuer must be a special purposes entity authorised in accordance with Special Purposes Entity's Rules.
- b) Where an issuer wishes to launch a debt instrument issuance programme, it must produce a single prospectus which covers the maximum value of debt instruments which may be issued under the programme. If the Authority approves the prospectus, all debt instruments which may be issued under that programme must be offered within (24) months after the approval of the prospectus.
- c) An application for registration and offer of debt instruments may be accepted even if it does not meet the requirements of this Article if the Authority is satisfied that it will be in the interest of the investors, provided that the issuer must provide the investors with the necessary information to arrive at an informed judgment concerning the issuer and the securities that are the subject of the application.
- d) In relation to an offer of debt instruments by a special purposes entity, the provisions of the paragraphs (3), (4), (5), (6) and (7) of Article (41) of these Rules shall apply only on the sponsor
- e) In relation to an offer of debt instruments by a special purposes entity, the provisions of the paragraph (9) of Article (41) of these Rules shall apply on the special purposes entity and the sponsor.



- f) The provisions of paragraph (8) of Article (41) of these Rules shall not apply in case of issuing debt instruments.

Article 43: Additional Conditions for a Public Offer of Convertible Debt Instruments and Exchangeable Debt Instruments

- a) The issuance of convertible debt instruments shall be subject to the following conditions:
- 1) The conditions set out in Article (42) of these Rules, as applicable.
 - 2) Convertible debt instruments may be registered and offered only if the shares into which they are convertible are already listed.
 - 3) A prospectus for convertible debt instruments, which would be converted into shares which are already listed on the Exchange, must contain the information set out in Annex (16) of these Rules.
 - 4) The Authority's approval of the application for registration and offer of a convertible debt instrument is regarded as approval of the issuance of the relevant share upon conversion.
- b) The issuance of exchangeable debt instruments shall be subject to the following conditions:
- 1) The conditions set out in Article (42) of these Rules, as applicable.
 - 2) Exchangeable debt instruments may be registered and offered only if the shares into which they are exchangeable are already listed; and the issuer may not dispose of shares equal to the shares that may be exchanged before the expiration of those instruments' maturity date.
 - 3) A prospectus for exchangeable debt instruments must contain the information set out in Annex (16) of these Rules.

Chapter 4: Application for Registration and Offer

Article 44: Underwriting

- a) The offer of securities must be fully underwritten by one or more Capital Market Institutions licensed to carry out underwriting activities, and that Capital Market Institution must comply with the Prudential Rules.
- b) The provisions of paragraph (a) of this Article shall not apply to:
- 1) capital increases to acquire a company or an asset;
 - 2) capital increases by way of capitalisation issues;
 - 3) capital increases by way of debt conversion;
 - 4) capital increase through share issuance with the suspension of preemptive rights.
 - 5) issuance of debt instruments;
 - 6) issuance of convertible debt instruments; or
 - 7) issuance of exchangeable debt instruments.



Article 45: Requirement to Submit an Application for Registration and Offer to the Authority

An issuer seeking to register and offer its securities must submit an application to the Authority which contains the information required under these Rules, and submit to the Exchange, at the same time, an application for listing of such securities in accordance with the provisions of the Listing Rules.

Article 46: Supporting Documents

- a) The issuer, or the sponsor if the issuer is a special purposes entity, must submit to the Authority with its application for registration and offer electronic copies of the following documents (it shall maintain original copies of such documents and submit it to the Authority at its request):
- 1) the letter of appointment of the financial advisor;
 - 2) the letter of appointment of the legal advisor;
 - 3) the authorisation letters or powers of attorney of the representatives of the issuer empowering them to sign the prospectus or the shareholders' circular (as applicable);
 - 4) the issuer's employees list providing the contact details involved with the application at the issuer, in addition to the details of the financial advisor and the legal advisor;
 - 5) a list containing the names and civil registry numbers (or the equivalent to it for non-Saudi nationals) of the directors and their relatives, senior executives and their relatives and shareholders;
 - 6) a formal letter of application for registration and offer, signed by a representative of the issuer that contains the applicable information as required by Annex (9) of these Rules;
 - 7) a declaration by the issuer in the form set out in Annex (10) of these Rules, and in case the issuer is a special purposes entity, a declaration by the sponsor in the form set out in Annex (10)(a) of these Rules;
 - 8) a declaration and undertaking signed by the directors of the issuer and by each proposed director of the issuer in the form set out in Annex (11) of these Rules, and in case the issuer is a special purposes entity, a declaration and undertaking signed by the directors of the sponsor and by each proposed director of the sponsor in the form set out in Annex (11)(a) of these Rules;
 - 9) approvals required by the relevant governmental agencies, where applicable;
 - 10) evidence of the issuer obtaining the required approvals to offer its securities to the public as required under Article (35) of these Rules;
 - 11) the draft prospectus or shareholders' circular (as applicable) in Arabic;
 - 12) the issuer's certificate of commercial registration, or equivalent;
 - 13) the issuer's articles of association and bylaws and all amendments to date, and in case the issuer is a special purposes entity, the sponsor's articles of association and bylaws and all amendments to date;
 - 14) the audited annual financial statements of the issuer for each of the three financial years immediately preceding submission of the application;



- 15) the latest interim financial statements produced since the date of the most recent audited annual financial statements;
 - 16) the legal due diligence report issued by the legal advisor regarding the application;
 - 17) the financial due diligence report regarding the application;
 - 18) a presentation detailing the structure of the issuer and its subsidiaries, along with a detailed description of the most recent restructuring of the issuer (if applicable);
 - 19) the letters of consent from all the advisors on the use of their names, logos and statements in the prospectus or the shareholders' circular (as applicable);
 - 20) a copy of the subscription application forms;
 - 21) a letter from the financial advisor and the issuer setting out the inapplicable requirements, if no disclosure requirements under these Rules are applicable;
 - 22) a letter from the issuer's financial advisor in the form set out in Annex (20) of these Rules, and in case the issuer is a special purposes entity, a letter from the entity's financial advisor in the form set out in Annex (20)(a) of these Rules;
 - 23) a letter from the issuer's legal advisor in the form set out in Annex (21) of these Rules, and in case the issuer is a special purposes entity, a letter from the issuer's legal advisor in the form set out in Annex (21)(a) of these Rules;
 - 24) in the case of debt instruments or convertible debt instruments or exchangeable debt instruments, a copy of the debenture agreement or any other document constituting or securing such instruments must be included;
 - 25) the issuer's internal governance regulations including the policies for conflict of interests, standards and procedures for board membership and the charters for the audit committee and the nomination and remuneration committee;
 - 26) all underwriting commitment letters;
 - 27) in case the issuer is a special purposes entity, the agreement governing the finance with the sponsor;
 - 28) in case the issuer is a special purposes entity, the agreement with the custodian (where applicable);
 - 29) in case the issuer is a special purposes entity, any agreement governing the special purposes entity's investment or management; and
 - 30) any other documentation that may be required by the Authority.
- b) Following the approval of the application for registration and offer by the Authority and prior to the listing, the issuer, or the sponsor if the issuer is a special purposes entity, must submit an electronic copy (and shall maintain the original copies for submission at the Authority's request) of the following documents:
- 1) a prospectus or the shareholders' circular (as applicable) in Arabic signed on every page by the representatives of the issuer who are appointed as authorised signatories;



- 2) its updated commercial registration (as applicable), and in case the issuer is a special purposes entity, the entity's updated commercial registration, and the sponsor's commercial registration;
 - 3) the securities allocation model;
 - 4) the latest reviewed interim financial statements (where applicable);
 - 5) all signed underwriting, sub-underwriting and distribution agreements entered into in connection with the offer and the lead manager agreement (as applicable);
 - 6) an updated and signed letter that contains the applicable information as required by Annex (9) of these Rules; and
- c) Following the approval of the application for registration and offer by the Authority, and after the completion of the offering of each tranche of a debt issuance programme but prior to the listing thereof, the following requirements must be complied with:
- 1) the issuer must submit the following documents to the Authority:
 - a. a pricing supplement for each tranche under the programme, signed by a duly authorised representative of the issuer, must be submitted in writing to the Authority as soon as the issuer submits it to the Exchange for consideration under the Listing Rules; and
 - b. the issuer's written confirmation to the Authority that the debt instruments in question have been offered.
 - 2) the issuer must notify the Authority as soon as possible of the final allocation of the debt instruments offered as well as the total amount paid compared to the total value offered under the prospectus;
 - 3) the pricing supplement of each tranche under the programme must include details in respect of the issue, maturity and redemption dates (if any) of the debt instruments offered as well as the pricing details; and
 - 4) the pricing supplement must provide the terms and conditions of an issue, in addition to those set out in the prospectus related to the debt instrument issuance programme.
- d) The issuer, or the sponsor if the issuer is a special purposes entity, must retain original copies (or certified copy where appropriate) of all documents required pursuant to this Article for a period not less than ten years from the completion of the offer. Without prejudice to this period, 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.
- e) For an issuer who does not have securities already listed on the Exchange and is seeking to register and offer debt instruments or convertible debt instruments or exchangeable debt instruments subparagraphs (16), (17), (25) and (26) of paragraph (a) of this Article shall not apply.
- f) If the issuer has its securities already listed on the Exchange:
- 1) Subparagraphs (5), (12), (13), (14), (15), (16), (17), (18), (20), (24), (25), (26), (27), (28), and (29) of paragraph (a), and subparagraphs (3), (4) and (5) of paragraph (b) of this Article shall not apply to the application for capital increase for acquisition of a company or purchasing an asset.



- 2) Subparagraphs (5), (12), (13), (14), (15), (16), (17), (18), (20), (24), (25), (26), (27), (28), and (29) of paragraph (a) and subparagraph, (3), (4) and (5) of paragraph (b) of this Article shall not apply to the application for capital increase for debt conversion.
- 3) Subparagraphs (5), (12), (13), (14), (15), (16), (17), (18), (24) (25), (27), (28), and (29) of paragraph (a) and subparagraph (4) of paragraph (b) of this Article shall not apply to the application for capital increase by way of rights issues.
- 4) Subparagraphs (5), (12), (13), (14), (15), (16), (17), (18), (24), (25), (26), (27), (28), and (29) of Paragraph (a) and subparagraphs (4) and (5) of Paragraph (b) of this Article shall not apply to the application for capital increase through share issuance with the suspension of preemptive rights.
- 5) Subparagraphs (5), (12), (13), (14), (15), (16), (17), (25) and (26), of paragraph (a) and subparagraph (4) of paragraph (b) of this Article shall not apply to the application for the issuance of debt instruments or convertible debt instruments or exchangeable debt instruments.
- 6) The provisions of this Article shall not apply to capitalisation issues.
- g) In case the offer is made by a special purposes entity:
 - 1) Subparagraphs (3), (4), (5), (10), (14), (15), (21) and (23) of paragraph (a), subparagraphs (1) and (4) of paragraph (b) and paragraph (d) of this Article shall apply to the sponsor in addition to the special purposes entity.
 - 2) Subparagraphs (16) and (19) of paragraph (a) of this Article shall apply only to the sponsor.
 - 3) Subparagraphs (25) and (26) of paragraph (a) of this Article shall not apply.

Article 47: The Prospectus

- a) The prospectus must contain all information which is necessary to enable an investor to make an assessment of the activities, assets and liabilities, financial position, management and prospects of the issuer and of its profits and losses and must include information in relation to the number and price of the securities and any obligations, rights, powers and privileges attaching to them. If the Issuer is a Special Purpose Entity, the Prospectus shall include all information necessary to enable the Investor to evaluate the activity, assets and liabilities of the special purposes entity, in addition to the sponsor's assets, liabilities, financial position, management, expected opportunities, profits and losses. and it shall include information on the number and price of securities and any obligations Rights, powers and privileges associated with them.
- b) Annex (12) of these Rules sets out the minimum information which must be included in a prospectus for shares.
- c) Annex (13) of these Rules sets out the minimum information which must be included in a prospectus for a rights issue, and Annex (13) (a) of these Rules sets out the minimum information which must be included in a prospectus for share issuance with the suspension of preemptive rights.
- d) Annex (14) of these Rules sets out the minimum information which must be included in a prospectus for debt instruments where the issuer does not have securities listed on the Exchange. If the Issuer is a Special Purpose Entity, Annex (14)(a) of these Rules shall determine the minimum required information to be included in prospectus of issuing debt-based debt instruments for a special purposes entity. Moreover, annex (14)(b) of these Rules shall determine the minimum required information to be included in prospectus of issuing asset-linked debt instruments for a special purposes entity.



- e) Annex (15) of these Rules sets out the minimum information which must be included in a prospectus for debt instruments where that issuer has securities currently listed on the Exchange and continues to have them listed throughout the offer and listing process.
- f) Annex (16) of these Rules sets out the minimum information which must be included in a prospectus for convertible debt instruments and exchangeable debt instruments.
- g) The draft of the prospectus that is submitted to the Authority must be in the Arabic language.
- h) The draft prospectus submitted to the Authority must be annotated in the margin to indicate where the information required by the applicable paragraphs of these Rules has been included and any changes from any previous drafts must be clearly marked. Each draft prospectus must indicate the draft number and date of submission on its cover page.

Article 48: Issuances not Requiring a Prospectus

- a) A prospectus is not required for the issue of further securities by an issuer whose securities are already listed where:
 - 1) the securities to be issued would increase the securities of a class already listed by no more than (10%) in any (12) months period. For the purpose of determining this percentage a series of issues in connection with a single transaction will be deemed a single issue, and a series of transactions that is regarded by the Authority as a single transaction will be deemed a single issue;
 - 2) shares issued as a result of capitalisation issue;
 - 3) an employee share scheme;
 - 4) shares issued as a result of the conversion of debt instruments that convert into shares already listed;
 - 5) shares issued as a result of capital increase by conversion of debt, provided that a shareholders' circular must be produced in accordance with Article (74) of these Rules;
 - 6) shares issued as a result of a capital increase that is made to acquire a company or purchase an asset provided that a shareholders' circular must be produced in accordance with Article (75) of these Rules; or
 - 7) split of shares already issued.
- b) Where an issuer wishes to issue securities in the circumstances specified in paragraph (a) of this Article it must make an application for registration and offer to the Authority in accordance with any applicable requirements under these Rules or as prescribed by the Authority. The relevant securities may not be issued prior to the approval of such application by the Authority.
- c) The issuer must disclose any issuance made under this Article in the manner prescribed by the Authority.
- d) If the issuer is a special purposes entity, the provisions of subparagraphs (2), (3), (4), (5), (6) and (7) of paragraph (a) of this Article shall not apply.



Article 49: Supplementary Prospectus and Supplementary Circular

- a) A supplementary prospectus or supplementary shareholders' circular must be submitted (as applicable) to the Authority if, at any time after that prospectus or circular has been published and before completion of the offer (in the case of a prospectus) or before the extraordinary general assembly is convened (in the case of a shareholders circular), the issuer, and the sponsor in relation to issuance of debt instruments by a special purposes entity, becomes aware that:
 - 1) there has been a significant change in material matters contained in the prospectus or the shareholders' circular (as applicable); or
 - 2) additional significant matters have become known which would have been required to be included in the prospectus or the shareholders' circular (as applicable).
- b) A supplementary prospectus or supplementary circular must contain the following (as applicable):
 - 1) details of the change or new matters in accordance with paragraph (a) of this Article;
 - 2) a declaration in the form specified at paragraph (10) of section (1) of Annex (12) of these Rules, paragraph (7) of section (1) of Annex (13) of these Rules, paragraph (13) of section (1) of Annex (13) (a) of these Rules, paragraph (9) of section (1) of Annex 14 of these Rules, paragraph (10) of section (1) of Annex (14)(a) of these Rules, paragraph (10) of section (1) of Annex (14)(b) of these Rules, paragraph (9) of section (1) of Annex (15) of these Rules, or paragraph (9) of section (1) of annex (16) of these Rules, paragraph (11) of section (1) of Annex (17) of these Rules, or paragraph (11) of section (1) of Annex (18) of these Rules, as the case may be;
 - 3) a declaration by the directors, and the sponsor's directors if the issuer is a special purposes entity, that there have been no significant changes in material matters nor additional significant matters have arisen other than what has been disclosed in the supplementary prospectus or supplementary circular; and
 - 4) a declaration by the directors, and the sponsor's directors if the issuer is a special purposes entity, that a copy of the supplementary prospectus or supplementary circular has been submitted to the Authority.
- c) Where a supplementary prospectus or supplementary circular is submitted to the Authority under this Article, it must be signed on every page by the relevant representatives of the issuer who are appointed as authorised signatories.
- d) Where a supplementary prospectus is submitted to the Authority under this Article, an investor who subscribed for securities prior to the disclosure of the supplementary prospectus is permitted to rescind or amend his subscription for such securities prior to the end of the offering period.
- e) Where a supplementary prospectus or supplementary circular is submitted to the Authority under this Article, the Authority must be satisfied that the information contained in such supplementary prospectus or supplementary circular is complete and fulfils the requirements of the Capital Market Law, its Implementing Regulations and the Exchange Rules. If the information supplied suggests to the Authority that the proposed offer of securities may not be in the interest of the investors or may result in a breach of the Capital Market Law, its Implementing Regulations or the Exchange Rules, then it may require the issuer to terminate the offer.
- f) The supplementary prospectus or supplementary shareholders' circular must not be published or otherwise made available to the public without obtaining the approval of the Authority.



Article 50: Authority Powers in Relation to the Application for Registration and Offer

- a) The approval of the application for registration and offer of securities will only be given by the Authority if:
 - 1) the Authority has received notification from the Exchange of the Exchange's conditional approval of the corresponding application for listing pursuant to the Listing Rules;
 - 2) the conditional approval mentioned under sub-paragraph (1) of this paragraph has not been withdrawn by the Exchange; and
 - 3) the Authority is satisfied that the information contained in the prospectus or the shareholders' circular (as applicable) is complete and fulfils the requirements of the Capital Market Law and its Implementing Regulations.
- b) The Authority will review the application within (45) days of receiving all information and documentation required pursuant to these Rules. If the application is for registration and offer of debt instruments, or registration and offer of convertible debt instruments, the Authority will review the application within (20) days of receiving all information and documentation required pursuant to these rules. The commencement of the period is not subject to the Authority's receipt of the notification referred to in subparagraph (1) of paragraph (a) of this Article provided that the notification must be submitted to the Authority prior to the end of the review period, otherwise the Authority may extend the review period for a term not exceeding (10) days from the date of receipt of the notification.
- c) If, having reviewed the application, the Authority considers that the proposed offer of securities may not be in the interest of the investors or may result in a breach of the Capital Market Law, its Implementing Regulations or the Exchange Rules, then it may take any of the following actions:
 - 1) carry out any enquiries which it considers appropriate;
 - 2) require the issuer or its representative to appear before the Authority to answer questions and explain any matters that the Authority considers relevant to the application. In case the issuer is a special purposes entity, the Authority may require the entity or its representative and the issuer or its representative to appear before the Authority to answer questions and explain any matters that the Authority considers relevant to the application;
 - 3) require the issuer or third parties to provide additional information or to confirm, in such manner as the Authority may specify, that the information provided is accurate; or
 - 4) defer making a decision for such period as may be reasonably necessary to carry out further study or examination.
- d) If, having taken action pursuant to paragraph (c) of this Article, the Authority determines that the offer to be made pursuant to the application may not be in the interest of the investors or may result in a breach of the Capital Market Law its Implementing Regulations or the Exchange Rules, the Authority may issue a "notification" to the issuer stating that the application has not been approved, or publish a "notice" prohibiting the offer, sale or transfer of title of the securities to which the application relates.
- e) The approval of the application for registration and offer of securities by the Authority shall be considered as an approval of the prospectus or the shareholders' circular, as applicable.



- f) The prospectus or shareholders' circular (as applicable) must not be published and made available to the public without the approval of the application for registration and offer of securities by the Authority.
- g) The Issuer and its financial advisor - prior to the Authority's approval of the application for registration and offer of securities – are allowed to provide information on the Issuer and its financial statements to the group of potential investors; In order to ascertain the extent to which potential investors are willing to participate in the subscription of the Issuer's shares if they are offered, provided that this does not result in taking a binding undertaking to subscribe.
- h) The Issuer and its financial advisor may, prior to obtaining the approval of the Authority, request the registration and presentation of securities by providing information on the issuer and its financial statements to a specific group of Capital Market Institutions to conduct the advice activity for the purpose of preparing research and financial reports on the issuer, provided that such research and reports shall not be published before obtaining the approval of the Authority for the application of registration and offer of securities.

Article 51: Publication of Prospectus, Shareholders' Circular and Formal Notices

- a) The issuer must publish the prospectus and must ensure that it is made available to the public at least (14) days prior to the start of the offering.
- b) As an exception from paragraph (a) of this Article, an issuer must publish the prospectus and must ensure that it is made available to the public at least (14) days prior to the date of the general assembly meeting where an offering of a rights issue is to be made or where share issuance with the suspension of preemptive rights is to be made.
- c) Where an issuer must publish a shareholders' circular in accordance with these Rules, it must ensure that it is made available to the public at least (14) days prior to the date of the relevant general assembly meeting.
- d) The prospectus, the shareholders' circular, any supplementary prospectus or any supplementary circular (as applicable) shall be made available to the public on the websites of the issuer, the Exchange, the Authority and the financial advisor
- e) Where an issuer has published a disclosure after the publication of the prospectus or the shareholders' circular in a local newspaper, the disclosure must contain at least the following (if applicable):
 - 1) the name and commercial registration number of the issuer, and in case the issuer is a special purposes entity; the name and commercial registration number of the entity and the name and commercial registration number of the sponsor;
 - 2) the securities that are the subject of the relevant application for registration and offer and their value, type and class;
 - 3) the addresses and locations where the public may obtain the prospectus or the shareholders' circular;
 - 4) the date of publication of the prospectus or the shareholders' circular;
 - 5) a statement that the disclosure is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities;



- 6) the names of the subscription lead manager (if any), underwriter, financial advisor, legal advisor and receiving agents;
- 7) a statement of the total value of securities that could be issued under an issuance programme (if applicable); and
- 8) a disclaimer as follows:

“The Capital Market Authority and the Saudi Stock Exchange Company take no responsibility for the contents of this disclosure, make no representations 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 disclosure.”

Article 52: Dissemination of Information

- a) The Authority may require the publication of further information by, or impose additional continuing obligations on, the issuer where it deems this appropriate. The Authority will notify the issuer of its intentions in this regard and will allow representations by the issuer before imposing any such requirements or obligations.
- b) Except as permitted in paragraph (c) of this Article, information that is required to be disseminated pursuant to these Rules must not be given to a third party before the information has been filed with the Authority and has been published.
- c) The issuer may disclose information that is required to be disseminated pursuant to these Rules before the information has been filed with the Authority and has been published to any of the following persons:
 - 1) the issuer’s advisors to the extent necessary for those advisors to provide advice in relation to these Rules;
 - 2) the issuer’s agent employed to release the information; and
 - 3) persons with whom the issuer is negotiating with a view to effecting a transaction or raising finance, including prospective underwriters of an issue of securities or lenders.
- d) The issuer must advise the above mentioned persons in writing that the information is confidential and that they must not deal in the issuer’s securities (or any other related securities) before the information has been made available to the public.
- e) Where, in the opinion of the issuer, disclosure of any matter required by these Rules would be unduly detrimental to the issuer, and omission is not likely to mislead investors with regard to facts and circumstances, knowledge of which is essential for the assessment of the securities in question, the issuer may apply for a waiver from the relevant requirement. The issuer must in that case provide to the Authority on a strictly confidential basis a statement of the requested waiver together with the reasons why the issuer believes that the information should not be disclosed at that time. The Authority may approve or reject the application for a waiver. If the Authority approves the application for a waiver, the Authority may at any time require the issuer to disclose any information in relation to the waiver.
- f) The provisions of this Article shall apply to the sponsor if the issuer is a special purposes entity.



Article 53: Application to Employee Share Schemes

- a) Where an application for registration and offer of securities includes a distribution of shares which are not already listed to employees through an employee share scheme, the following requirements must be fulfilled:
- 1) subscription to such shares is to be restricted to directors and employees of the issuer or its subsidiaries; and
 - 2) the issuer must ensure that the total number of shares to be issued under the scheme does not exceed (15%) of the paid-up capital of the issuer at any time.
- b) The provisions of this Article shall not apply on special purposes entity.

Article 54: Dormant Applications

The Authority may, at its absolute discretion, cancel an application for registration and offer of securities where such application has in the opinion of the Authority remained dormant. The effect of such cancellation is that if the issuer then wishes to seek approval for registration and offer of the same securities, it must make a new application in accordance with the process set out in these Rules.



PART 5

Financing Transactions for Special Purposes Entity

Chapter 1: New Financing Transactions For Special Purposes Entity

Article 55: Scope and Application

This Part sets out requirements applicable to each financing transaction entered into in relation to the issuance of a new class or series of debt instruments by a special purposes entity.

Article 56: Approval of New Financing Transactions by the Authority

- a) No financing transaction may be entered into in relation to the issuance of a new class or series of debt instruments by a special purposes entity without obtaining an approval from the Authority for the financing transaction application required under paragraph (a) of Article (57) of these Rules.
- b) A financing transaction shall meet each of the applicable transaction conditions specified in this Part.
- c) For the purposes of this Chapter, the Authority's approval may include multiple issues of debt instruments under a single issuance program. If the Authority approves the financing transaction, all debt instruments to be issued under the program will be offered within (24) months following the approval of the Authority provided that the sponsor complies with the following requirements:
 - 1) submit to the Authority, as soon as possible, the following documents:
 - a. pricing annex for each segment of the debt instrument issuance program signed by a representative of the entity and the sponsor authorised to sign; and
 - b. A confirmation letter by the sponsor to the Authority that the debt instruments in question have been offered.
 - 2) The pricing annex for each issue of debt instrument shall include details of the issuance, maturity and redemption dates (if any) of the debt instruments to be included, and their price details.
 - 3) The Pricing Annex shall explain all terms and conditions of the issue.
 - 4) The Sponsor shall notify the Authority in writing of the final allocation results of the debt instruments offered, and the total amounts paid against the total amount specified in the application.
- d) Neither a sponsor nor a special purposes entity shall offer or hold itself out, or allow a third party to offer or hold itself out, as offering debt instruments in the special purposes entity which are subject of the application unless it has received the Authority's approval referred to in paragraph (a) of this Article.
- e) An applicant shall commence the offer of debt instruments within one year of receipt of the Authority's approval under paragraph (a) of this Article, failing which the approval shall lapse.



Article 57: Procedures and Powers of the Authority in Relation to a Financing Transaction Application

- a) The sponsor shall submit an application to the Authority which contains the information and declarations required in accordance with the requirements contained in these Rules, and according to the type of offering.
- b) The Authority shall, upon receipt of all information and documents required, notify the sponsor in writing of the same, and it may make any of the following decisions within the period specified in paragraph (c) of this Article:
 - 1) approve the financing transaction application, and in respect of a financing transaction in relation to offering debt instruments privately, the approval of the Authority is considered obtained upon the lapse of (10) days from the date of the Authority notification referred to in paragraph (b) of this Article unless the Authority perform any of the actions mentioned in this Article before the lapse of the period specified in this sub-paragraph;
 - 2) approve the financing transaction application subject to such conditions and restrictions as it considers appropriate; or
 - 3) reject the financing transaction application.
- c) For the purposes of paragraph (b) of this Article, the Authority shall make its decision in respect of a financing transaction within (20) days, if the financing transaction is in relation to the public offering debt instruments, but if the transaction is related to privately offered debt instruments, the Authority shall make its decision within 10 days.
- d) If the authority, in considering an application made under paragraph (a) of this Article, found that approving the financing transaction application may not be in the interest of the investors or may result in a breach of the Capital Market Law, its Implementing Regulations or the Exchange Rules the Authority may:
 - 1) Carry out any enquiries that it deems appropriate.
 - 2) Request the sponsor, its representative or the representative of the special purposes entity, to attend before the Authority to answer questions and explain any matter the Authority considers relevant to the application.
 - 3) Request the special purposes entity or the sponsor to provide such additional information as the Authority considers appropriate within fourteen (14) days of the request, unless the Authority states otherwise.
 - 4) Verify any information provided by the sponsor or the special purposes entity.
- e) The Authority may refuse to consider the application where the sponsor or the special purposes entity has failed to provide information requested from it within the time specified in sub-paragraph (3) of paragraph (d) of this Article.
- f) The Authority may refuse the financing transaction application if the Authority believes that the proposed financing transaction may not be in the interest of the investors or may result in a breach of the Capital Market Law or its Implementing Regulations.



Chapter 2: Financing Transactions Conditions for Special Purposes Entity

Article 58: Scope and Application

- a) This Part sets out the conditions that a special purposes shall ensure that they are met with respect to a financing transaction entered into by it in relation to the issuance of a new class or series of debt instruments.
- b) A special purposes entity shall ensure that the conditions in Articles (60) to (65) of these rules are met with respect to every financing transaction.
- c) Where a special purposes entity enters into a financing transaction involving the issue of asset-linked recourse debt instruments or asset-backed debt instruments, it shall also ensure that the conditions in Article (66) of these Rules are met.
- d) Where a special purposes entity enters into multiple financing transactions, it shall also ensure that the condition in Article (67) of these Rules are met.

Article 59: Financing Structures

There is no limit on the type of financing structure that may be utilised by the special purposes entity in a financing transaction

Article 60: Appointment of a Custodian

The special purposes entity must have a custodian in accordance with Article (32) of the Rules for Special Purposes Entities.

Article 61: Investor Protection

The documentation associated with the financing transaction shall include appropriate arrangements to protect the interests of investors in accordance with Article (68) of these Rules.

Article 62: Use of Proceeds

The proceeds of issuance of the debt instruments shall be realised, held, managed (where relevant) and invested in consistence with the disclosure made under these Rules, as applicable, and with the terms and conditions of the debt instruments.

Article 63: Payments and Bank Accounts

Without prejudice to Article (62) of these Rules:

- 1) where the terms and conditions of the debt instruments provide for such payments to be made to the special purposes entity, all payments made by or on behalf of investors on subscription for debt instruments of a special purposes entity shall be received into the account of the designated bank;
- 2) all payments made by the special purposes entity shall be realised and made in accordance with these Rules, all applicable laws and regulations, the by-laws of the special purposes entity and the terms and conditions of the debt instruments issued by the special purposes entity; and
- 3) where the terms and conditions of the debt instruments provide for such payments to be made by the special purposes entity to the investors, all payments made shall be paid from an account of special purposes entity.



Article 64: Investments

Without prejudice to Article (62) of these Rules, all investments made by the special purposes entity shall be subject, monitored, managed (where applicable) and realised in accordance with the Rules for Special Purposes Entities, all applicable laws and regulations, the by-laws of the special purposes entity and the terms and conditions of the debt instruments issued by the special purposes entity.

Article 65: Enforceability

Each financing contract entered into by the special purposes entity in relation to a financing transaction shall be:

- 1) legal, valid and binding on each party to it insofar as relevant to the interests of investors, except as clearly disclosed in the prospectus or private placement offering document; and
- 2) consistent with the disclosure provided under these Rules, as applicable.

Article 66: Financing Transactions Involving the Issue of Asset-Linked Recourse Debt Instruments or Asset Backed Debt Instruments

Financing transaction involving the issue of asset-linked recourse debt instruments or asset-backed debt instruments is subject to the following requirements:

- 1) In relation to issuing asset-linked recourse debt instruments, the sponsor shall be a Saudi joint stock company, a Capital Market Institution licensed to carry on securities business related to the business of special purposes entities, a local bank or a finance company with the required licenses to carry on their businesses and activities from the relevant government entities, in accordance with sub-paragraph (1) of paragraph (a) of Article (11) of the Rules for Special Purposes Entities.
- 2) In relation to issuing asset-backed debt instruments, the sponsor shall be a Saudi joint stock or limited liability company, a Capital Market Institution licensed to carry on securities business related to the business of special purposes entities, a local bank or a finance company with the required licenses to carry on their business and activities from the relevant government entities, in accordance with sub-paragraph (2) of paragraph (a) of Article (11) of the Rules for Special Purposes Entities.
- 3) As an exception to the provisions of paragraph (1) of this Article, if a special purposes entity issues, or intends to issue, asset-linked recourse debt instruments through a private placement, the sponsor may be a Saudi limited liability Company, in accordance with sub-paragraph (3) of paragraph (a) of Article (11) of the Rules for Special Purposes Entities.
- 4) the custodian shall hold custody of the real estate assets and securities owned by the special purposes entity (if any), in accordance with Article (31) of the Rules for Special Purposes Entities.

Article 67: Multiple Financing Transactions

The sponsor shall be able to demonstrate to the Authority that adequate legal safeguards are in place to ensure that investors in a financing transaction are not at risk of losses arising from the liability of the special purposes entity under any other financing transaction to which the special purposes entity is party, unless the transaction is a part of a financing transaction and it was clearly disclosed in the prospectus or private placement offering document, as applicable.



Chapter 3: Investors Protection

Article 68: Investors Protection

- a) The documentation associated with the financing transaction shall include adequate protections for holders of debt instruments issued by the special purposes entity. This shall include at a minimum the arrangements set out in this Article.
- b) The documentation associated with the financing transaction shall include a valid, legally binding and irrevocable arrangement enabling holders of debt instruments, acting by a majority of the holders (by par value) eligible to vote of each class of holders of debt instrument issued by the special purposes entity, to compel the special purposes entity:
 - 1) to act in accordance with the instructions of the holders in relation to the financing transaction to which their debt instruments relate; and
 - 2) to repay all rights and claims of the special purposes entity with respect to the financing transaction.
- c) Neither the sponsor nor any affiliate of it, nor any person acting on behalf of the sponsor, may exercise any voting rights with respect to debt instruments issued to it in a meeting of holders of a class of debt instruments.

Article 69: Stop Orders

- a) The Authority may at any time issue an order to a special purposes entity or its sponsor prohibiting or restricting the marketing or sale of debt instruments in the special purposes entity if the Authority believes that the marketing or sale of those debt instruments may result in a breach of the Capital Market Law or its Implementing Regulations.
- b) A special purposes entity or sponsor served with a notice under paragraph (a) of this Article shall:
 - 1) immediately cease, and procure that any person acting on its behalf ceases, the marketing or sale of the debt instruments;
 - 2) immediately notify any other person of whom it is aware marketing or selling the debt instruments of the issue of the order; and
 - 3) on request from the Authority, notify the Authority of the identity of any person involved in the marketing or selling of the debt instruments.



PART 6

Capital Alteration

Chapter 1: Capital Increase for Issuers of Listed Shares

Article 70: Scope and Application

- a) The purpose of this Part is to regulate the issuance, registration and offering or cancelation of shares as a result of a capital alteration of an issuer whose shares are listed on the Main Market.
- b) The Special purposes entities shall not be subject to the provisions of this Part.
- c) A foreign issuer whose shares are listed on the Main Market pursuant to the Listing Rules shall not be subject to the provisions of this Part.

Article 71: Application Submission for Capital Increase of Issuers of Listed Securities and Supporting Documents

Where an issuer wishes to register and offer new shares of a class already listed by raising its capital, either by way of rights issue, share issuance with the suspension of preemptive rights, capitalisation issue, debt conversion, acquisition of a company or asset purchase, it must obtain the Authority's approval prior to calling for the issuer's extraordinary general assembly meeting. The approval of the extraordinary general assembly of the issuer must be obtained within six months of the approval of the Authority. If the assembly's approval is not obtained during such time, the Authority's approval shall be deemed to be cancelled and the issuer will be required to resubmit its letter of application if it still wishes to increase its capital.

Article 72: Conditions and Requirements Applicable to a Rights Issue or Capital Increase with the Suspension of Preemptive Rights

- a) In addition to any other applicable requirements under Article (46) of these Rules, where an issuer wishes to submit an application for registration and offer of securities to the Authority in respect of a rights issue or for registration and offer of securities for capital increase with the suspension of preemptive rights, the following conditions must be satisfied:
 - 1) details of the proceeds of any previous rights issues or previous share issuances with the suspension of preemptive rights must be provided and such details must be compared with the disclosure made under the previous relevant prospectus; and
 - 2) details of any qualifications made in the audited financial statements for the preceding financial year must be provided.
- b) The increase of capital with the suspension of preemptive rights shall not exceed, for each issue, (15%) of the issuer's capital, and the offer of the shares of a capital increase with the suspension of preemptive rights shall be limited to investors of the categories of qualified clients and institutional clients.
- c) Investors, who own the shares of a capital increase with the suspension of preemptive rights, must not dispose of such shares during a period of six months following their listing date.



- d) The issuer must submit to the Authority after the approval of an application for registration and offer of securities for capital increase with the suspension of preemptive rights and before listing such securities an electronic copy of the list of shareholders and shares allocated to them, and the issuer must maintain the original copy of this document and submit it to the Authority at request.
- e) Where the offer is not completed by the prescribed offer end date specified in a prospectus for the share issuance with the suspension of preemptive rights, the financial advisor must provide the Authority within ten days of the offer end date with a notification in writing signed by the financial advisor confirming that the offer has not completed. The financial advisor may, in consultation with the issuer, extend the period of the offer before the end date of the offer, and the investors of the categories of qualified clients and institutional clients who has subscribed to the shares prior to the extension of the offer period may cancel or amend their subscriptions.
- f) The issuer must, in the event of any discrepancy of (5%) or more between the actual use of the proceeds from a rights issue or a share issuance with the suspension of preemptive rights and the planned use of proceeds that was disclosed in the relevant prospectus, disclose such discrepancy to the public as it becomes aware of such discrepancy.

Article 73: Conditions and Requirements Applicable to a Capitalisation Issue

Where an issuer wishes to increase its capital by way of a capitalisation issue it must submit to the Authority a letter of application that includes the minimum information set out in Annex (22) of these Rules.

Article 74: Conditions and Requirements Applicable to Capital Increase Through Debt Conversion

- a) In addition to any other applicable requirements under Article (46) of these Rules, where an issuer wishes to increase its capital by way of a debt conversion, the issuer must submit the following documents to the Authority:
 - 1) a statement of the origin and amount of the debt; signed and certified by the board of directors and the auditors of the issuer; and
 - 2) a legal review report and a legal opinion issued by the issuer's legal advisor on the extent to which the debt conversion transaction complies with the relevant laws.
- b) Where an issuer wishes to increase its capital by way of a debt conversion it must produce a circular for its shareholders stating the information required to enable the shareholders to make an informed vote at the relevant extraordinary general assembly. This circular shall include, but is not limited to the items set out in Annex (17) of these Rules.
- c) The shareholders' circular - submitted to the Authority in respect of a request of a capital increase by way of a debt conversion- must be produced in Arabic and be annotated in the margin to indicate where the information required by the applicable paragraphs of these Rules have been included and any changes from any previous drafts must be clearly marked. Each draft shareholders' circular must indicate the draft number and date of submission on its cover page.

Article 75: Conditions and Requirements Applicable to a Capital Increase to Acquire a Company or Purchase an Asset

In addition to any other applicable requirements under Article (46) of these Rules, where the purpose of a capital increase is to acquire a company or purchase an asset, the following requirements must be complied with as applicable:



- 1) The issuer must submit to the Authority a report prepared by the issuer's financial advisor comprising the issuer's valuation and a valuation of the target company to be acquired or the asset to be purchased.
- 2) The issuer must submit to the Authority a financial due diligence report and a legal due diligence report issued by the legal advisor for the target company to be acquired or assets to be purchased.
- 3) The issuer must produce a circular for its shareholders stating the information required to enable the shareholders to make an informed vote at the extraordinary general assembly. This circular shall include, but is not limited to the items set out in Annex (18) of these Rules.
- 4) The shareholders' circular –submitted to the Authority in respect of a request of a capital increase to acquire a company or purchase an asset– must be produced in Arabic and be annotated in the margin to indicate where the information required by the applicable paragraphs of these Rules have been included and any changes from any previous drafts must be clearly marked. Each draft shareholders' circular must indicate the draft number and date of submission on its cover page.

Chapter 2: Capital Reduction for Issuers of Listed Shares

Article 76: Conditions and Requirements Applicable to a Capital Reduction

- a) Where an issuer wishes to reduce its share capital, it must submit to the Authority a letter of application that includes the minimum information set out in Annex (23) of these Rules, for the Authority's approval prior to obtaining the approval of the relevant extraordinary general assembly of the issuer on the capital reduction. The application must be accompanied by the following:
 - 1) the letter of appointment for the financial advisor;
 - 2) the letter of appointment for the legal advisor (if any);
 - 3) an external auditor's report on the reasons for the capital reduction and the impact of the capital reduction on the issuer's liabilities;
 - 4) the proposed method of capital reduction and the expected effect of such reduction;
 - 5) a copy of the shareholders' circular as per paragraph b) below; and
 - 6) any other documentation as may be required by the Authority.
- b) Where an issuer wishes to reduce its share capital, it must also produce a circular for its shareholders stating the information required to enable the shareholders to make an informed vote at the relevant extraordinary general assembly. This circular shall include, but is not limited to, the following:
 - 1) the general structure of the proposed reduction in share capital;
 - 2) the rationale behind the proposed reduction in share capital, including a reasoned discussion from management in this regard;
 - 3) the risk factors related to the proposed reduction in share capital;
 - 4) the proposed timing of the process; and
 - 5) a statement from the directors of the issuer confirming that in the board's view, the proposed reduction in share capital is in the best interests of the issuer and the shareholders.



- c) The shareholders' circular - submitted to the Authority in respect of a capital reduction request - must be produced in Arabic language and be annotated in the margin to indicate where the information required by the applicable paragraphs of these Rules have been included and any changes from any previous drafts must be clearly marked. Each draft shareholders' circular must indicate the draft number and date of submission on its cover page.



PART 7

Continuing Obligations

Chapter 1: Disclosures

Article 77: Scope and Application

- a) The purpose of this Part is to regulate the continuing obligations of issuers whose securities are listed on the Main Market.
- b) Provisions of Article (78) , paragraphs (1), (2), (3), (6), (10), (11), (12), (13), (14), (15), (16), (26), (27), (28) and (29) of Article (80), paragraphs (a) and (e) of Article (81) , and Articles (82), (84) and (86) of these Rules shall apply to the sponsor.
- c) Provisions of paragraphs (4), (30) and (31) of Article (80) of these Rules shall only apply to the sponsor, in case the issuer is a special purposes entity.
- d) Provisions of Article (85), Article (87), and paragraph (b) of Article (86) of these Rules shall not apply to the issues made by a special purposes entity.
- e) A foreign issuer whose shares are listed on the Main Market pursuant to the Listing Rules shall be subject to the provisions of Article (78), Article (79), and paragraphs (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (26), (27), (28), (29), (30), (31), (32), (33) and (34) of Article (80), sub-paragraph (1) of paragraph (a) and paragraphs (b) and (e) of Article (81), Article (82) , Article (83) , Article (84) , Article (85) and Article (86) of these Rules.

Article 78: Complete, Clear, Accurate and not Misleading Disclosures

- a) All disclosures made by an issuer must be complete, clear, accurate and not misleading and shall comply with the means of disclosure specified by the Exchange in the Listing Rules.
- b) Where, in the opinion of the issuer, disclosure of any matter required by these Rules would be unduly detrimental to the issuer, and omission is not likely to mislead investors with regard to facts and circumstances, knowledge of which is essential for the assessment of the securities in question, the issuer may apply for a waiver from the relevant requirement or otherwise request to delay the disclosure. The issuer must in that case provide to the Authority on a strictly confidential basis a statement of the requested waiver or delay together with the reasons why the issuer believes that the information should not be disclosed at that time. The Authority may approve or reject the application for a waiver or delay. If the Authority approves the application for a waiver or delay, the Authority may at any time require the issuer to disclose any information in relation to the waiver or delay.
- c) All information and material developments stated in this Chapter shall be deemed confidential until they are disclosed. Before disclosing such information and material developments, the issuer shall be prohibited from communicating such information to parties not bound by a confidentiality obligation and an obligation to protect such information. An issuer must also take all necessary steps to prevent the leakage of any information and material developments before disclosing them as described in the Listing Rules.
- d) An issuer must determine the need to publish a disclosure to the public in response to rumours related to any material developments, and the Authority may require such publication to be made by the issuer as it sees appropriate.



Article 79: Obligation to Disclose Material Developments

- a) An issuer must disclose to the Authority and the public without delay any material developments in its sphere of activity which are not public knowledge, and which may affect the assets and liabilities or financial position or the general course of business of the issuer or its subsidiaries and which may reasonably lead to movements in the price of the issuer's listed securities or significantly affect an issuer's ability to meet its commitments in respect of listed debt instruments.
- b) Exception from paragraph (a) of this Article, if the issuer is a special purposes entity, the special purposes entity shall disclose to the Authority and the public without delay any material developments that fall within the scope of its activity and the knowledge of which is not available to the general public, and which may affect the assets or liabilities of the special purposes entity and can reasonably lead to a change in the price of the listed securities or have a significant impact on the ability of the special purpose entity to meet its debt instrument related obligations.
- c) In determining whether a development falls within the scope of this Article, an issuer must assess whether a prudent investor would be likely to consider information about the development in making his investment decisions.

Article 80: Disclosure of Specific Events

The issuer must immediately and without delay disclose to the Authority and the public any of the following developments (regardless of whether or not they qualify as "material" under Article (79) of these Rules):

- 1) any transaction to purchase, sell, lease or mortgage an asset at a price equal to or greater than (10%) of the net assets of the issuer according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later;
- 2) any debt outside the issuer's ordinary course of business, of a value equal to or greater than (10%) of the issuer's net assets; according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later;
- 3) any losses equal to or greater than (10%) of the issuer's net assets; according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later;
- 4) any significant change in the issuer's production environment or activity including (but not limited to) the availability of resources and the possibility of obtaining them;
- 5) any changes in the composition of the directors, the audit committee or to CEO's position of the issuer, and in case the issuer is a special purposes entity, any changes in the composition of the directors, the audit committee or to CEO's position of the sponsor and the special purposes entity;
- 6) any dispute including any litigation, arbitration, or mediation where the value involved is equal to or greater than (5%) of the net assets of the issuer according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later;
- 7) any judicial decision issued against the board or any of the directors where the subject of the decision involved relates to the business of the board or any of the directors in the issuer;
- 8) the increase or decrease in the net assets of the issuer equal to or greater than (10%) according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later;



- 9) the increase or decrease in the gross profit of the issuer equal to or greater than 10% according to the latest audited financial statements;
- 10) the entering into, or the unexpected termination of, any contract with revenues equal to or greater than (5%) of the gross revenues of the issuer according to the latest audited annual financial statements;
- 11) any transaction between the issuer and a related party or any arrangement through which the issuer and a related party invest in any project or asset or provide financing therefore if this transaction or arrangement is equal to or greater than (1%) of the gross revenues of the issuer according to the latest audited annual financial statements;
- 12) any interruption in the principal activities of the issuer or its subsidiaries equal to or greater than (5%) of the gross revenues according to the latest audited annual financial statements;
- 13) any changes in the issuer's articles of association or the location of the issuer's principal office;
- 14) any change in its external auditors;
- 15) the presentation of any winding-up petition, the making of any winding-up order or the appointment of a liquidator in respect of the issuer or its affiliates under the Companies Law, or under any regulations applicable to a foreign issuer whose shares are listed on the Main Market in accordance with the Listing Rules including the commencement of any proceedings under the Bankruptcy Regulations;
- 16) the passing of a resolution by the issuer or its affiliates that it be dissolved or liquidated, or the occurrence of an event or termination of a period of time which would require the issuer to be put into liquidation or dissolution;
- 17) Upon the issuance of any recommendation or a resolution by the person of authority in the issuer to submit an application to the court for commencing any of the bankruptcy procedures under the Bankruptcy Law, with a statement of its impact on the issuer's financial position or the general course of its business;
- 18) Upon receiving a notification from the court regarding others registering an application with the court for commencing a financial restructuring procedure or commencing the liquidation procedure or the administrative liquidation procedure for the issuer in accordance with the Bankruptcy Law, with a statement of its impact on the issuer's financial position or the general course of its business;
- 19) Upon registering an application with the court for commencing any of the bankruptcy procedures for the issuer in accordance with the Bankruptcy Law, with clarification of the subsequent steps and durations therefor and a statement of its impact on the issuer's financial position or the general course of its business;
- 20) Upon the issuance of the court's decision (first instance or final) ordering the commencement of any of the bankruptcy procedures for the issuer in accordance with the Bankruptcy Law, with clarification of the subsequent steps and durations therefor and a statement of its impact on the issuer's financial position or the general course of its business;
- 21) Upon the issuance of the court's decision (first instance or final) rejecting the application of commencing any bankruptcy procedures for the issuer in accordance with the Bankruptcy Law, or rejecting any of them and commencing the appropriate bankruptcy procedure, with a statement of the reasons for such rejection and a statement of its impact on the issuer's financial position or the general course of its business;



- 22) Upon the issuance of the court's decision (first instance or final) terminating the financial restructuring procedure or the protective settlement procedure for the issuer in accordance with the Bankruptcy Law, or terminating any of them and commencing the appropriate bankruptcy procedure in accordance with Bankruptcy Law with a statement of its impact on the issuer's financial position or the general course of its business;
- 23) Objecting before the competent court regarding the commencing or rejecting of the commencement of any bankruptcy procedures under the Bankruptcy Law, or the termination or non-termination of the protective settlement procedure or the financial restructuring procedure under the Bankruptcy Law with a statement of its impact on the issuer's financial position or the general course of its business;
- 24) Upon the issuance of the court's decision in the objection referred to in paragraph (23) of this Article to affirm or reverse the Court decision and to adjudicate the case under the Bankruptcy Law with a statement of its impact on the issuer's financial position or the general course of its business;
- 25) Any material developments included in the reports the issuer provides during the commenced bankruptcy procedures in accordance with the Bankruptcy Law with a statement of its impact on the issuer's financial position or the general course of its business, unless the officeholder, the bankruptcy committee or the competent authority decides that such developments are confidential according the Implementing Regulation of the Bankruptcy Law;
- 26) the making of any judgement, decision, order or declaration by a court or judicial body, whether at first instance or on appeal, which may adversely affect the issuer's utilisation of any portion of its assets which in aggregate value represents a value in excess of (5%) or more of the net assets of the issuer according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later;
- 27) the call for convening a general or special assembly and its agenda;
- 28) the outcome of the general or special assembly;
- 29) any proposed change in the capital of the issuer, with a statement of its impact on the holders of convertible debt instruments (as applicable);
- 30) any decision to declare, recommend to declare or pay dividends or to make any other distributions to the holders of its listed securities;
- 31) any decision or a recommendation not to pay dividends which would otherwise have been expected to have been paid;
- 32) any decision to call, repurchase, draw, redeem or propose to buy any of its securities and the total amount and value thereof;
- 33) any decision not to make payment in respect of debt instruments or convertible debt instruments;
or
- 34) any change in the rights attaching to any class of listed shares or to the debt instruments convertible to such shares.
- 35) If the issuer is a special purposes entity, any court proceedings taken or threatened against the special purposes entity, any criminal or disciplinary procedures or sanctions to be inflicted on or likely to be inflicted on the special purposes entity.



- 36) If the issuer is a special purposes entity, any court proceedings taken or threatened against members of the board of directors of a special purposes entity, any criminal or disciplinary proceedings or sanctions to be inflicted on or likely to be inflicted on members of the board of directors of the special purpose entity, If the subject matter of the procedure or sanction relates to the work of the Board of Directors or one of its members in the Special Purpose Entity.
- 37) Paragraphs (27), (28) and (29) shall not apply where the issuer is a special purposes entity.

Article 81: Disclosure of Financial Information

- a) The annual financial statements and the first, second, and third interim financial statements of an issuer must be disclosed to the Authority and the public upon their approval and prior to their publication to shareholders or third parties. Where the issuer is a special purposes entity, such entity must disclose its annual financial statements to the Authority and the public upon their approval and prior to publishing it to third parties. For the purposes of this Article:
- 1) interim financial statements are approved after being (a) approved by the board of directors and (b) signed by (i) a director authorised by the board of directors, (ii) by the CEO and (iii) the CFO; and
 - 2) annual financial statements are approved in accordance with the provisions of the Companies Law and the Corporate Governance Regulations. Where the issuer is a special purposes entity, the financial statements of such entity are approved after being approved by the entity's board of directors.
- b) The issuer shall disclose its interim and annual financial statements through the electronic system specifically designated for such purpose by the Exchange.
- c) The issuer must prepare its interim financial statements in accordance with the accounting and auditing standards adopted by SOCPA, and disclose them to the public within a period not exceeding (30) days after the end of the financial period included in such financial statements.
- d) The issuer must prepare its annual financial statements in accordance with the accounting and auditing standards adopted by SOCPA, and disclose them to the public within a period not exceeding three months after the end of the annual financial period included in such financial statements. The issuer must disclose these annual financial statements not less than (21) calendar days before the date of convening the issuer's annual general assembly. Where the issuer is a special purposes entity, the disclosure to the public shall be within a maximum period of (3) months after the end of the annual financial period included in such statements.
- e) The certified public accountant or the accounting firm that audits the issuer's financial statements must be registered with the Authority in accordance with the Rules for Registering Auditors of Entities Subject to the Authority's Supervision, and the issuer must ensure that the certified public accountant or the accounting firm that audits its financial statements and any of their partners comply with the SOCPA rules and regulations in relation to the ownership of shares or securities of the issuer or any of its subsidiaries in order to ensure the independency of the certified public accountant or the accounting firm and any partner or employee of that firm.
- f) If the issuer is a special purposes entity, the sponsor shall provide the special purposes entity of its interim and annual financial statements and the report of the board of directors in a timely manner to enable the special purposes entity to fulfill its obligations under this article.
- g) In the event where the issuer is a foreigner whose shares are listed on the Main Market in accordance with the Listing Rules, it shall prepare its interim and annual financial statements in accordance



with international standards issued by the International Accounting Standard Board. For the purposes of this paragraph, the interim and annual financial statements shall be disclosed as follows:

- 1) In respect of the interim financial statements; disclosure shall be made to the public within a period not exceeding (30) days after the end of the financial period included in such financial statements.
- 2) In respect of the annual financial statements; disclosure shall be made to the public within a period not exceeding (3) months of the end of the annual financial period mentioned in those statements, and must disclose such financial statements within a period not less than (21) calendar days prior to the date of its annual general assembly.

Article 82: Board of Directors' Report

The issuer must provide the Authority with, and disclose to the shareholders, within three months from the end of the financial year, a report issued by the board of directors containing the required information pursuant to the Corporate Governance Regulations and including a review of the operations of the issuer during the last financial year and of all relevant factors affecting the issuer's business which an investor requires to assess the assets, liabilities and financial position of the issuer.

Article 83: Duties of Directors and Senior Executives

The directors and senior executives of an issuer must exercise their powers and carry out their duties in such a way as to serve the interests of the issuer.

Article 84: Provision of Documents to the Authority

The issuer must send copies to the Authority of any notices, documents or information that are sent or otherwise made available to its shareholders, unless they were disclosed on the Exchange.

Chapter 2: Restrictions on Dealings

Article 85: Dealings by Substantial Holders of Shares and Convertible Debt Instruments

- a) Any person must notify the Exchange if such person becomes the owner of, or is interested in, (5%) or more of any class of voting shares or convertible debt instruments of the issuer at the end of the third trading day following the execution of the transaction or the occurrence of the event which results such ownership or interest; The person notification to the Authority shall also include a list of persons, in which those persons, have an interest in the shares or convertible debt instruments which they own or control".
- b) The person referred to in paragraph (a) of this Article must notify the Exchange in the event of any change to the list of persons referred to in paragraph (a) of this Article including any event which requires the inclusion of a person to that list or the exclusion of any person who has been previously included in that list. Such notification must be made at the end of the third trading day following the occurrence of the relevant event.
- c) For the purposes of this Article, a person's notification to the Exchange pursuant to paragraph (a) of this Article, regarding its ownership or interest in (5%) or more of any class of voting shares of the foreign issuer whose shares are listed on the Main Market in accordance with the Listing Rules, limited to those listed in the Main Market pursuant to the Listing Rules.



- d) For the purposes of this Article, in calculating the total number of shares or convertible debt instruments in which a person is interested, that person will be deemed to be interested in any shares or convertible debt instruments owned by or controlled by any of the following persons:
- 1) a relative of that person;
 - 2) a company controlled by that person; or
 - 3) any other persons with which that person has agreed to act in concert to acquire an interest in or exercise voting rights in the shares or in the convertible debt instruments of the issuer.
- e) The notices referred to in this Article shall be in accordance with the form prepared for this regard. The notice referred to in paragraph (a) of this Article must contain at least the following information:
- 1) the names of the persons who own or have the right to dispose of the subject shares or convertible debt instruments;
 - 2) details of the ownership process; and
 - 3) details of any loans or financial support for the ownership process that the person has received from any other persons.

Article 86: Dealings of Directors and Senior Executives

- a) The directors, senior executives or audit committee members of the issuer and any of their associates may not deal in any securities of the issuer during the following periods:
- 1) during the (15) calendar days preceding the end of the financial quarter and until the date of the disclosure of the reviewed interim financial statement of the issuer that is required to be disclosed pursuant to paragraph (a) of Article (81) of these Rules; and
 - 2) during the (30) calendar days preceding the end of the financial year and until the date of disclosing the issuer's audited annual financial statements, or the interim financial statements for the fourth quarter if the issuer has disclosed them after reviewing them and fulfilling the requirements of Article (81) of these Rules.
- b) The prohibition referred to in paragraph (a) of this Article shall not apply to exercising the subscription's right in rights issues and the sale of such rights.
- c) Upon termination of a director's membership in the board of directors or director's dismissal from the board of directors, termination of any of the audit committee's membership, or resignation of any of senior executives of the issuer during any of the periods referred to in paragraph (a) of this Article, this period (where applicable) shall apply to the director, audit committee's member, or senior executive, and any of their associates.

Article 87: Restrictions on Shares

- a) The substantial shareholders in the issuer shown in the prospectus or registration document as owners of the issuer's shares must not dispose any of their shares during a period of six months from the date on which the issuer's shares' trading first commences on the Exchange, except where the issuer states a longer lock up period in the prospectus or registration document.
- b) If the registered owner specified in the prospectus or registration document is different to the beneficial owner, then the beneficial owner must undertake that the registered holder shall not



dispose any of such shares for a period of six months from the date on which trading in the shares first commences on the Exchange. A person shall be treated as a beneficial owner of shares if he has the ultimate beneficial ownership or control of the shares, whether through a chain of companies or otherwise.

- c) Shares granted to the persons described in paragraph (a) of this Article-during the lock-up period-as a result of a capital increase by way of a capitalisation issue must not be disposed until lock-up period described in paragraphs (a), and (b)of this Article is lifted.



PART 8

Offer or Registration in Parallel Market

Article 88: Scope and Application

- a) The purpose of this Part is to regulate the registration and offering of shares on the Parallel Market beside regulating the registration of shares in the Parallel Market.
- b) Shares may not be offered in the Parallel Market or registered unless pursuant to this Part.
- c) The Instructions of Book Building Process and Allocation Methods in Initial Public Offerings shall not apply to shares offerings conducted under these Rules.
- d) The Corporate Governance Regulation shall be deemed indicative to all issuers whose shares are listed on the Parallel Market unless another law, regulations or a resolution of the Board of the Authority states that some provisions thereof are mandatory on issuers whose shares are listed on the Parallel Market.
- e) The offer, under this Part, shall be limited to the categories of qualified investors, and the financial advisor of the issuer is responsible for ensuring compliance with this paragraph.
- f) In all cases, Capital Market Institutions shall ensure that their clients of qualified investors are aware of the risks involved in subscribing of shares offered in the Parallel Market.

Article 89: Appointment of Representative of the Issuer

- a) The issuer must appoint two representatives, one of whom must be a director and the other must be a senior executive, to act as its representatives before the Authority for all purposes relating to the Capital Market Law, the Companies Law, their implementing regulations, other relevant laws and these Rules.
- b) The issuer must provide details in writing of how its representatives may be contacted including office, mobile number, and electronic mail address.
- c) The issuer and its representatives, referred to in paragraph (a) of this Article, must provide the Authority, without delay, with all the information, clarifications, books, records and forms that the Authority requests from them, for the purpose of implementing the Capital Market Law, the Companies Law, their Implementing Regulations, other relevant laws and these Rules, which must be complete, clear, correct, and not misleading.

Article 90: Appointment of Advisors

- a) Where an issuer makes an application for registration and offering of shares in the Parallel Market or the registration of its shares that requires the production of a prospectus, shareholders' circular or the registration document (where applicable), the issuer must appoint a financial advisor authorised by the Authority to carry out arranging activities and any other securities activities related to the agreed services to be provided.
- b) The financial advisor, who is appointed pursuant to paragraph (a) of this Article, is subject to the obligations set out under paragraphs (b) and (c) of Article (39) of these Rules, and the reference to Annex (20) shall be replaced with Annex (25).



- c) Where an issuer whose shares are listed on the Parallel Market undertakes a voluntary cancellation of listing, the issuer must appoint a financial advisor.
- d) Where an issuer whose shares are listed on the Parallel Market submits an application to reduce its capital, the issuer must appoint a financial advisor.
- e) The financial advisor and the legal advisor (if any) shall take into account the principles of the profession when providing advice to the issuer on the application for registration and offer of its securities, the registration of its shares in the Parallel Market or complying with Capital Market Law and its implementing regulations and Exchange Rules.
- f) The Authority may, at all times, require the issuer to appoint a financial advisor, a legal advisor, or any other advisor to advise the issuer on the application of the provisions of the Capital Market Law, its Implementing Regulations, the Exchange Rules or the Companies Law or its Implementing Regulations.

Article 91: Approval of the Issuer

An issuer may not make a Parallel Market offer of shares or registration unless the issuer has obtained all necessary corporate approvals required pursuant to its bylaws, the Companies Law and its Implementing Regulations.

Article 92: Conditions for an Issuer

- a) An issuer applying to the Authority to register its shares and offer them by way of a Parallel Market Offer or for the registration of its shares in the Parallel Market must meet the following conditions:
 - 1) The issuer must be a joint stock company.
 - 2) The issuer must have been carrying on, either by itself or through one or more of its subsidiaries, a main activity for at least one year.
 - 3) The issuer must have prepared its audited financial statements for the financial year preceding the application in accordance with the accounting standards adopted by SOCPA.
 - 4) If the period covered in the latest audited financial statements was ended six months prior to the expected date of approval of the application, audited reviewed interim financial statements for any period from the end date of the period covered by the latest Audited financial statements to the expected date of approval of the application must be submitted to the Authority. Or submit the audited financial statements (as applicable), and in all cases, the period covered by the latest audited interim financial statements submitted to the Authority shall not have ended more than (6) months before the date of approval of the application for registration of securities.
- b) Where an issuer already has securities that are listed on the Exchange, subparagraphs (2), (3) and (4) of paragraph (a) of this Article shall not apply.
- c) An application may be accepted if it does not meet the requirements of this Article if the Authority is satisfied that the offer or registration will be in the interest of the investors, and that the issuer has provided the investors with the necessary information to arrive at an informed judgment concerning the issuer and the shares that are the subject of the application.



Article 93: Requirement to Submit the Application to the Authority

- a) An issuer seeking registration and offering of its shares in the Parallel Market or the registration of its shares in the Parallel Market must submit an application to the Authority for approval which contains the information required under this part, and pay any fees set by the Authority.
- b) The issuer must submit an electronic of the following documents to the Authority (and it shall maintain the original copies of such documents and submit them to the Authority at request):
 - 1) the letter of the appointment of the financial advisor;
 - 2) the authorisation letters or powers of attorney of the representatives of the issuer empowering them to sign the prospectus, the shareholders' circular or the registration document (as applicable);
 - 3) a list containing the names and contact numbers of the persons working for the issuer, the financial advisor and the legal advisor (if any) concerned with the application;
 - 4) a formal letter of application for registration and offer in the Parallel Market or the registration of shares in the Parallel Market (as applicable), signed by a representative authorised to sign on behalf of the issuer in the form set out in Annex (9) of these Rules;
 - 5) a declaration by the issuer in the form set out in Annex (10) of these Rules;
 - 6) approvals required by the relevant governmental agencies;
 - 7) evidence of the issuer obtaining the required approvals under Article (91) of these Rules;
 - 8) the draft prospectus, shareholders' circular or the registration document (as applicable) in Arabic;
 - 9) the issuer's certificate of commercial registration;
 - 10) the issuer's articles of association and bylaws;
 - 11) the issuer's annual audited financial statements for the financial year preceding the submission of the application;
 - 12) the latest audited interim financial statements since the financial position date of most recent annual audited financial statements;
 - 13) the letters of consent from all the advisors on the use of their names, logos and statements in the prospectus, the shareholders' circular or the registration document (as applicable);
 - 14) a letter from the issuer's financial advisor in the form set out in Annex (25) of these Rules;
 - 15) a list containing the names and civil registry numbers (or the equivalent to it for non-Saudi nationals) of the directors;
 - 16) a declaration and undertaking signed by the directors of the issuer and by each proposed director of the issuer in the form set out in Annex (11) of these Rules; and
 - 17) any other documentation that may be required by the Authority.
- c) Following the approval of the registration and offer of shares on the Parallel Market by the Authority or the registration of shares in the Parallel Market and prior to the listing, the issuer must



submit an electronic copy of the following documents to the Authority (and it shall maintain the original copies of such documents and submit them to the Authority at request):

- 1) the prospectus, the shareholders' circular or the registration document (where applicable) in Arabic signed on every page by the representatives of the issuer who are appointed as authorised signatories;
 - 2) a list of shareholders and shares allocated to, except where the application is for a capital increase for acquisition of a company or purchasing an asset or for debt conversion or the registration of shares in the Parallel Market; and
 - 3) an updated and signed letter in the form set out in Annex (9) of these Rules; unless the application is related to the registration of shares in the Parallel Market.
- d) The issuer must retain original copies (or certified copies where appropriate) of all documents required pursuant to this Article for a period not less than ten years from the completion of the offer or the direct listing in the Parallel Market, and without prejudice to this period, in case of any litigation or claim (including any litigation pending or threatened) or any on-going investigations relating to these documents, the issuer must retain such documents until the closure of that litigation, claim or on-going investigation.
- e) If the issuer has its shares already listed on the Parallel Market, the subparagraphs (9), (10), (11), (12) and (15) of paragraph (b) of this Article shall not apply to the application for capital increase for acquisition of a company or purchasing an asset, issuing new shares for debt conversion, rights issue, or share issuance with the suspension of preemptive rights.
- f) Where the offer is not completed by the prescribed offer end date specified in the prospectus provided to the Authority, the financial advisor must provide the Authority within ten days with a notification in writing signed by the financial advisor confirming that the offer has not completed. The financial advisor may, in consultation with the issuer, extend the period of the offer before end date of the offer, the qualified investor who has subscribed to the shares prior to the extension of the offer period may cancel or amend its subscription.
- g) The provision of this Article shall not apply to the capitalisation issue.

Article 94: Dormant Applications

The Authority may, at its absolute discretion, cancel an application for registration and offer of shares in the Parallel Market or an application for the registration of shares in the Parallel Market where such application has, in the opinion of the Authority, remained outstanding. Should the issuer wish to continue such application, a new application must be made by the issuer in accordance with the application process set out in this Part if it wishes to register and offer the shares of the cancelled application in the Parallel Market or its registration in the Parallel Market.

Article 95: The Prospectus and the Registration Document

- a) The Prospectus must contain the information set forth in Annex (24) of these Rules, and may contain additional information, provided that such information must be within the requirements set forth in Annex (12) of these Rules.
- b) The registration document must contain the information set forth in Annex (24) (a) of these Rules, and may contain additional information, provided that such information must be within the requirements set forth in Annex (12) of these Rules



- c) The prospectus for share issuance with the suspension of preemptive rights must contain the information provided in Annex (13) (a) of these Rules.
- d) The draft prospectus and the draft registration document provided to the Authority shall be in Arabic.
- e) The draft prospectus and the draft registration document provided to the Authority must be annotated to indicate where the information required by the applicable paragraphs of these Rules has been included and any changes from any previous drafts must be clearly marked. Each draft prospectus and draft registration document must indicate the draft number and the submission date on its cover page.
- f) The provisions of paragraphs (c) and (d) of this Article shall apply to the shareholders' circular produced pursuant to this Part.

Article 96: Issuances not Requiring Prospectus

- a) The prospectus is not required for the issue of further shares by an issuer whose shares are already listed on the Parallel Market, if the shares are categorised as:
 - 1) shares result in an increase of not more than (10%) of a share class already listed on the Parallel Market. For the purpose of determining this percentage, series of issues conducted during the twelve months are deemed a single issue, and series of transactions deemed as single transaction by the Authority are deemed a single issue.
 - 2) shares issued as a result of capitalisation issue.
 - 3) employees share scheme;
 - 4) shares issued as a result of capital increase by conversion of debt, provided that a shareholders' circular must be produced in accordance with Article (104) of these Rules;
 - 5) shares issued as a result of capital increase to acquire a company or purchase an asset, provided that a shareholders' circular must be produced in accordance with Article (105) of these Rules; or
 - 6) split of shares already issued.
- b) Where an issuer wishes to issue securities in the circumstances specified in paragraph (a) of this Article it must make an application for registration and offer to the Authority in accordance with any applicable requirements under these Rules or as prescribed by the Authority. The relevant securities may not be issued prior to the approval of such application by the Authority.
- c) The issuer must disclose any issuance made under this Article in the manner prescribed by the Authority.

Article 97: Supplementary Prospectus and Supplementary Shareholders' Circular or Supplementary Registration Document

- a) The issuer must submit a supplementary prospectus, supplementary shareholders' circular or supplementary registration document (as applicable) to the Authority if at any time after the prospectus, the shareholders' circular or the registration document has been published and before completion of the offer (in the case of a prospectus) or before the extraordinary general assembly is convened (in the case of a shareholders' circular) or prior to the direct listing in the Parallel Market (in the case of a registration document), the issuer becomes aware that:



- 1) there has been a significant change in material matters contained in the prospectus, the shareholders' circular or the registration document (as applicable); or
 - 2) additional significant matters have become known which would have been required to be included in the prospectus, the shareholders' circular or the registration document (as applicable).
- b) A supplementary prospectus, supplementary shareholders' circular or supplementary registration document must contain the following (as applicable):
- 1) details of the change or new matters in accordance with paragraph (a) of this Article; and
 - 2) a declaration in the form specified at paragraph (13) of section (1) of Annex (13) (a) of these Rules, or paragraph (10) of section (1) of Annex (24) of these Rules, or paragraph (8) of section (1) of Annex (24) (a) of these Rules, or paragraph (2) of section (1) of Annex (26) of these Rules, or paragraph (2) of section (1) of Annex (27) of these Rules (as applicable).
- c) Where a supplementary prospectus, supplementary shareholders' circular or supplementary registration document is submitted to the Authority under this Article, it must be signed on every page by the representatives of the issuer who are appointed as authorised signatories.
- d) Where a supplementary prospectus is submitted to the Authority under this Article, a qualified investor who subscribed for shares prior to the publishing of the supplementary prospectus is permitted to rescind or amend his subscription for such shares prior to the end of the offering period.

Article 98: Authority Powers in Relation to the Application

- a) The approval of the application for registration and offer of securities in the parallel market or the application for registration in the Parallel Market is subject to the following conditions:
- 1) the Authority has received notification from the Exchange its conditional approval of the corresponding application for listing pursuant to the Listing Rules;
 - 2) the conditional approval mentioned under sub-paragraph (1) of this paragraph has not been withdrawn by the Exchange; and
 - 3) the Authority is satisfied that the information contained in the prospectus, the shareholders' circular or the registration document (as applicable) is complete and fulfils the requirements set out in the Capital Market Law and its Implementing Regulations.
- b) The Authority will review the application within (30) days of receiving all information and documentation required pursuant to these Rules. The commencement of this period is not subject to the Authority's receipt of the notification referred to in subparagraph (1) of paragraph (a) of this Article provided that the notification must be submitted to the Authority at least (10) days prior to the end of the review period, otherwise the Authority may extend the review period for a term not exceeding (10) days from the date of receipt of the notification.
- c) If, having reviewed the application, the Authority considers that the proposed offer of shares or registration in the Parallel Market may not be in the interest of the investors or may result in a breach of the Capital Market Law, its Implementing Regulations or the Exchange Rules, then it may take any of the following actions:
- 1) carry out any enquiries which it considers appropriate;



- 2) require the issuer or its representative to appear before the Authority to answer questions and explain any matters that the Authority considers relevant to the application;
 - 3) require the issuer or third parties to provide additional information or to confirm, in such manner as the Authority may specify, that the information provided is accurate; or
 - 4) defer making a decision for such period as may be reasonably necessary to carry out further study or examination.
- d) If, having taken action pursuant to paragraph (c) of this Article, the Authority determines that the offer or registration to be made pursuant to the application may not be in the interest of the investors or may result in a breach of the Capital Market Law its Implementing Regulations or the Exchange Rules, the Authority may issue a "notification" to the issuer stating that the application has not been approved, or publish a "notice" prohibiting the offer, sale or transfer of title of the shares to which the application relates. The Authority's approval on the application of offer and registration of securities in the parallel market is considered an approval of the prospectus or shareholders' circular as applicable.
 - e) The Authority's approval of the application for registration and offer of shares on the parallel market or the application for shares registration on the parallel market shall be deemed as an approval of the prospectus, the shareholders' circular or the registration document, as applicable.
 - f) The prospectus, the shareholders' circular or the registration document (as applicable) must not be published and made available to the public without the approval of the application for registration and offer of shares or application for the registration on the parallel market by the Authority.
 - g) The Issuer and its financial advisor may, prior to the Authority's approval of the application for registration and offer of shares, be allowed to provide information on the Issuer and its financial statements to the group of potential investors; In order to ascertain the extent to which potential investors are willing to participate in the subscription of the Issuer's shares if they are offered, provided that this does not result in taking a binding undertaking to subscribe.
 - h) The Issuer and its financial advisor may, prior to the Authority's approval of the application for registration and offer of shares, be allowed to provide information on the Issuer and its financial statements to a specific group of Capital Market Institutions to conduct the advice activity for the purpose of preparing research and financial reports on the issuer, provided that such research and reports shall not be published before obtaining the approval of the Authority for the application of registration and offer of shares.
 - i) The issuer and its financial advisor may, prior to the Authority's approval of the application for shares registration, be allowed to provide information on the Issuer and its financial statements to the group of potential investors; In order to ascertain the extent to which potential investors are willing to invest in the Issuer's shares if they are directly listed in the Parallel Market.
 - j) The issuer and its financial advisor may, prior to the Authority's approval of the application for shares registration for direct listing in the Parallel Market, be allowed to provide information on the Issuer and its financial statements to a specific group of Capital Market Institutions to conduct the advice activity for the purpose of preparing research and financial reports on the issuer, provided that such research and reports shall not be published before obtaining the approval of the Authority for the application for registration of shares on the parallel market.



Article 99: Publication of Prospectus, Shareholders' Circular, Registration Document and Formal Notices

- a) The issuer must publish the prospectus or the registration document (where applicable) and must ensure that it is made available to the qualified investors at least (14) days prior to the start of the offering (In case of prospectus) and before direct listing (in case of registration document).
- b) As an exception from paragraph (a) of this Article, an issuer must publish the prospectus and must ensure that it is made available to the public at least (14) days prior to the date of the general assembly meeting where an offering of a rights issue is to be made or where share issuance with the suspension of preemptive rights is to be made.
- c) Where an issuer must publish a shareholders' circular in accordance with the provisions of these Rules, it must ensure that it is made available to the qualified investors at least (14) days prior to the relevant general assembly meeting.
- d) The prospectus, the shareholders' circular, the registration document (where applicable) any supplementary prospectus, any supplementary shareholders' circular or any supplementary registration document (as applicable) shall be made available to the public in electronic form on the official websites of the issuer, the Authority, the Exchange and the financial advisor.

Article 100: Dissemination of Information

An issuer who is seeking to register and offer its securities in the Parallel Market, an issuer who is seeking to register its shares in the Parallel Market or an issuer whose securities are listed on the Parallel Market is subject to the provisions of Article (52) of these Rules.

Article 101: Application Submission for Capital Increase of Issuers of Shares Listed in the Parallel Market

Where an issuer whose shares are listed on the Parallel Market wishes to register and offer new shares of a class already listed, either by way of rights issue, share issuance with the suspension of preemptive rights, capitalisation issue, issuing new shares for debt conversion, acquisition of a company or asset purchase, it must obtain the Authority's approval prior to calling for the issuer's extraordinary general assembly meeting. The approval of the extraordinary general assembly of the issuer must be obtained during six months of the approval of the Authority. If the assembly's approval is not obtained during such time, the Authority's approval shall be deemed to be cancelled and the issuer will be required to resubmit its letter of application if it still wishes to increase its capital.

Article 102: Conditions and Requirements Applicable to a Rights Issue or capital Increase with The Suspension of Preemptive Rights

- a) In addition to any other applicable requirements under Article (93) of these Rules, where an issuer wishes to submit an application for registration and offer of securities to the Authority in respect of a rights issue or for registration and offer of securities for capital increase with the suspension of preemptive rights, the following conditions must be satisfied:
 - 1) details of the proceeds of any previous rights issues or previous share issuances with the suspension of preemptive rights must be provided and such details must be compared with the disclosure made under the previous relevant prospectus; and
 - 2) details of any qualifications made in the audited financial statements for the preceding financial year must be provided.



- b) The increase of capital with the suspension of preemptive rights shall not exceed, for each issue, (15%) of the issuer's capital.
- c) Investors, who own the shares of a capital increase with the suspension of preemptive rights, must not dispose of such shares during a period of six months following their listing date.
- d) The issuer must, in the event of any discrepancy of (5%) or more between the actual use of the proceeds from a rights issue or a share issuance with the suspension of preemptive rights and the planned use of proceeds that was disclosed in the relevant prospectus, disclose such discrepancy to the public as it becomes aware of such discrepancy.

Article 103: Conditions Related to a Capitalisation Issue

Where an issuer wishes to increase its capital by way of a capitalisation issue it must submit to the Authority a letter of application in the form set out in Annex (22) of these Rules.

Article 104: Conditions related to Increasing the Capital by Debt Conversion

- a) Where an issuer whose shares are listed on the Parallel Market wishes to increase its capital by way of a debt conversion, it must produce a circular for its shareholders stating the information required to enable the shareholders to vote at the extraordinary general assembly.
- b) The shareholders' circular must contain at least the information set out in Annex 22 of these Rules.

Article 105: Conditions Related to Capital Increase for Acquiring a Company or Purchasing an Asset

- a) In addition to any other applicable requirements under Article (93) of these Rules, where an issuer whose shares are listed on the Parallel Market wishes to increase its capital to acquire a company or purchase an asset, it must produce a circular for its shareholders stating the information required to enable the shareholders to vote at the extraordinary general assembly.
- b) Shareholders' Circular shall contain at least the information set out in Annex (27) of these Rules.

Article 106: Capital Reduction for Issuers of Shares Listed on the Parallel Market

- a) Where an issuer wishes to reduce its share capital, it must submit to the Authority a letter of application that includes the minimum information set out in Annex (23) of these Rules for the Authority's approval prior to obtaining the approval of the relevant extraordinary general assembly of the issuer on the capital reduction. The application must be accompanied by the following:
 - 1) Financial advisor appointing letter.
 - 2) Legal advisor appointing letter.
 - 3) an external auditor's report on the reasons for the capital reduction and the impact of the capital reduction on the issuer's liabilities;
 - 4) the proposed method of capital reduction and the expected effect of such reduction;
 - 5) Copy of shareholders' circular referred to in paragraph (b) of this Article; and
 - 6) any other documentation as may be required by the Authority.



- b) The Issuer shall issue a circular to its shareholders containing the necessary information to enable shareholders to vote at the Extraordinary General Assembly Meeting on the basis of awareness and knowledge. The circular shall include, at a minimum, the following information:
 - 1) The general structure of the proposed capital reduction.
 - 2) Reasons for capital reduction, including discussion and management analysis in this regard.
 - 3) risk factors related to capital reduction.
 - 4) The time period of the operation.
 - 5) A statement from the Board of Directors of the Issuer stating that they believe that the capital reduction is in the interest of the Issuer and the shareholders.
- c) The shareholders' circular - submitted to the Commission on the request for reduction of the issued capital - shall be prepared in Arabic and the reference to the relevant paragraphs of these Rules shall be indicated in the margin of the Circular, indicating any change from previous drafts. Every circular draft on the first page of the draft number and date of submission.

Article 107: Continuing Obligations

An issuer of securities listed on the Parallel Market must comply with Part 7 of these Rules subject to the following:

- 1) The phrase “the first, second, and third interim financial statements of an issuer” mentioned in paragraph (a) of Article (81) of these Rules shall be replaced with “the semi-annual interim financial statements of an issuer”.
- 2) The issuer must disclose its interim financial statements which must be prepared and reviewed in accordance with the accounting standards approved by SOCPA as soon as they have been approved and within a maximum of (45) days of the end of the financial period covered by these statements.
- 3) The phrase “the financial quarter” mentioned in subparagraph (1) paragraph (a) of Article (86) of these Rules shall be replaced with “the half of the financial year”.
- 4) Information, set forth in the Corporate Governance Regulations, that is required to be included in the board of directors’ report are indicative to issuers whose shares are listed on the Parallel Market.
- 5) The "six months" period set forth in Article (87) of these Rules shall be replaced with "twelve months".
- 6) Exception from the provisions of paragraph (a) of Article (87) of these Rules, a Capital Market Institution assigned in accordance with the Listing Rules by an issuer whose shares are directly listed on the Parallel Market may sell the issuer’s shares in its own discretion, provided that it is within the scope of implementing the liquidity requirement fulfilment plan provided to the Exchange pursuant to the Listing Rules.

Article 108: Fees for the Parallel Market

- a) An issuer who submits an application for approval under this Part is required to pay such fees to the Authority as the Authority specifies.
- b) An issuer of securities listed on the Parallel Market is required to pay such fees to the Authority as the Authority specifies.



PART 9

Provisions for Reverse Takeover and Demerger

Article 109: Scope of Application

- a) The purpose of this section is to regulate reverse takeover and demerger the merger under the Authority's powers stipulated in the Capital Market Law.
- b) The provisions of this section shall apply to the following:
 - 1) Market participants, including issuers of securities, shareholders, Capital Market Institutions, and any person who has participated or provided advice directly or indirectly in any transaction subject to the provisions of this Part.
 - 2) Members of the Board of Directors of issuers subject to the provisions of this Part.

Article 110: General Provisions

- a) The issuer, when calculating the percentage, to determine whether the transaction (or multiple transactions) constitute a demerger that requires the consent of the shareholders, shall apply all criteria for determining the applicable category, so the value of the percentage rate is the most recent published numbers of the assets value, revenues Or profits as shown in the most recent audited interim financial statements or audited annual financial statements, whichever is more recent, in addition to the market value of the issuer at the time the transaction (or multiple transactions) is declared, as applicable.
- b) When making an assessment to determine whether there has been a material change in the issuer as a result of the transaction, the issuer shall consider the following:
 - 1) The extent of the change resulting from the transaction in the direction or strategic nature of the company's business.
 - 2) Whether the issuer's business will be considered a part of a different sector after the transaction is completed.

Article 111: Announcement and Conditions of a Reverse Takeover

With regards to the provisions of Part 6 of these Rules, the issuer, when a party to the reverse takeover, shall do the following:

- 1) Announcing to the public, as soon as possible, after the terms of the reverse takeover have been agreed upon, and following it with supplementary announcements relating to any material changes in any matter contained in the original announcement or if an important new issue arose which should have been mentioned in the original announcement. The original announcement must include the following:
 - a) details of the transaction, including the name of the other party.
 - b) a summary of the company's activity or the asset subject to the transaction.
 - c) compensation and the extent to which it is satisfied (including terms related to any necessary arrangements for delaying compensation).



- d) the value of the total assets of the transaction.
 - e) profits relating to the assets of the transaction.
 - f) the effect of the transaction on the listed company including any benefits expected to be received by the issuer as a result of the transaction.
 - g) details of any service contracts for proposed members of the Board of Directors of the Issuer.
- 2) Assign a financial advisor to evaluate the target entity.
 - 3) Ensure that any agreement related to the transaction is conditional upon the approval of the shareholders.

Article 112: Potential Suspension of Listing when Announcing a Reverse Takeover

- a) The issuer shall communicate with the Authority as soon as possible in the following cases:
 - 1) prior to the announcement of any reverse takeover approved or under consideration, to discuss the appropriateness of trading suspension.
 - 2) If the reverse takeover details leak, for the purpose of requesting suspension of trading.
- b) Reverse takeover is being under consideration in any of the following cases:
 - 1) The issuer contacting the board of directors of the target entity.
 - 2) Entry of the issuer in an exclusive period with the target entity.
 - 3) The issuer giving the permission to start preparing for the necessary studies (whether limited or unlimited).

Article 113: Applying Class Tests and Calculating Percentage Ratios

- a) To determine whether the transaction represents a demerger that requires shareholders' approval, by reference to the percentage, the issuer shall evaluate the size of the transaction against the size of the company or the asset of the demerger transaction. The size is determined by using the percentages resulting from Applying Class Tests calculations to this transaction according to the details in Annex (28) of these Rules.
- b) If any percentage calculations result in an unusual or inappropriate result of the scope of the issuer's activities, the Authority may ignore such calculations and replace it with other size related indicators, including the sector-specific measures. The listed company shall submit the alternative measures it deems appropriate to the Authority for its consideration.
- c) In case of any percentage changes between the time a transaction with the Authority is discussed (as applicable) and the time of its announcement, the Issuer shall inform the Authority of such change. Moreover, the Issuer shall comply with the relevant requirements applicable to the Transaction at the time of its declaration.

Article 114: Aggregation of Transactions

The Authority may request the Issuer to combine a series of transactions and act on them as if they were a single transaction, provided that all of them were completed within twelve months or were linked to each other. In such cases, the issuer must comply with the Class Tests of the transaction when



aggregated and the figures to be used to determine percentages are those shown in the most recent audited financial statements or audited annual financial statements, whichever is earlier.

Article 115: Conditions Relating to the Listed Company

The issuer seeking demerger shall have completed at least 3 financial years as a listed company.

Article 116: Shareholders' approval

If any of the percentages set in Annex (28) of these Rules reaches (50%) or more of the planned demerger, the Issuer shall obtain the prior approval of its shareholders at the General Assembly meeting. Any shareholder having a direct or indirect interest in the proposed demerger must abstain from voting on such transaction at the General Assembly meeting.

Article 117: Specialised Committee and Independent Financial Advisor

- a) In respect of any demerger transaction subject to the approval of the shareholders in accordance with Article (116) of these Rules, the Issuer shall establish a Specialised Committee (consisting solely of independent Board members or of other independent persons or both of whom have no substantial interest in the proposed demerger). That's to advise shareholders on whether the terms of the relevant demerger are fair and reasonable and whether the demerger transaction is in the interest of the issuer and all of its shareholders.
- b) The Issuer shall appoint a Financial Advisor authorised by the Authority to provide advisory services and make recommendations to the Specialised Committee and the Shareholders as to whether the terms of the relevant demerger are fair and reasonable and whether the demerger transaction is in the interest of the issuer and all of its shareholders.

Article 118: Circular to Shareholders

- a) In respect of any demerger transaction subject to the approval of the shareholders in accordance with Article (116) of these Rules, the Issuer shall prepare a circular on the proposed demerger to be submitted to shareholders, published and made available to the public at least (14) days prior to the date of the General Assembly In which the shareholders will vote on the demerger. The circular shall include, at a minimum, the following:
 - 1) sufficient information on the proposed demerger, provided that such information includes a minimum:
 - a. Proposed structure and purpose of the demerger.
 - b. The most prominent financial information illustrating the financial impact of demerger.
 - c. The most prominent legal information related to the terms of the demerger, which the shareholders need to make a decision based on knowledge and awareness.
 - d. Risk factors related to demerger.
 - 2) a separate letter from the specialised committee advising shareholders as to whether the relevant terms of demerger are fair and reasonable in accordance with Article (117) of these Rules and whether such a demerger is in the interest of the issuer and all of its shareholders, taking into account the recommendations of the financial advisor.



- 3) A separate letter from the financial advisor, including its recommendations to the specialised committee and shareholders, on whether the relevant terms of demerger are fair and reasonable, and whether this demerger is in the interest of the issuer and all of its shareholders.
 - 4) The circular shall include the following disclaimer: "The Capital Market Authority and the Saudi Stock Exchange Company shall not assume any responsibility for the contents of this Circular, and shall not give any assurance regarding its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss Resulting from what is stated in this circular or from reliance on any part thereof ".
- b) The circular and the two letters referred to in paragraph (a) of this article shall indicate the reasons behind the opinion and its main assumptions and the factors taken into account in forming the opinion.

Article 119: Requirements for Registration, Offering and Listing of Shares of the Demerged Entity

In case a demerged company wishes to register, offer and list its shares in the market, all the requirements for registration and offering of securities provided for in these rules and the listing requirements stipulated in the Listing Rules must be fulfilled.

Article 120: Announcement of a Demerger

The Issuer must announce that it has submitted an application for registration, offer of its securities and listing of the demerged entity as soon as the completed applications have been submitted to the Authority and the Exchange (or its equivalent in any foreign country). If the foreign state regulations require that the application for registration, offering and listing be filed confidentially, then the listed company must announce to the public its intention to file a registration, offering and listing application of the demerged entity in another country without mentioning the name of that country or market on which the demerged entity intends to list its security in.

PART 10

Publication and Entry into Force

Article 121: Publication and Entry into Force

These Rules shall be effective as per its approval resolution.



PART 11

ANNEXES

ANNEX 1

CONTENTS OF THE OFFERING DOCUMENT FOR OFFERING SHARES THROUGH SECURITIES CROWDFUNDING PLATFORM

An offering document for offering shares through securities crowdfunding platform must contain all material information related to the issuer, and disclose the same in a fair and non-misleading manner, in a way that enables the investor to understand the nature of the offering and arrive at an informed investment decision, and must contain the following information at a minimum:

1. Offer summary

This section must include a disclaimer to the targeted investors on the importance of reading the offering document prior to making an investment decision and include the following information at a minimum:

- a. The name of the issuer, its principal place of registration, the address of its principal place of the business, and the issuer's contact information including telephone numbers and e-mail address.
- b. the capital of the issuer;
- c. issuer's total number of shares;
- d. the nominal value per share;
- e. offer period and conditions;
- f. number and classes of shares to be offered;
- g. the offer price (in SR)
- h. the total value of the offer; (SR)
- i. the use of the proceeds;
- j. The number and categories of offerees.
- k. The number and types of securities previously issued by the issuer within the past 12 months;
- l. The minimum amount (if any) to be paid by each offeree;

2. Procedures for Registering the Client who Subscribed in the Shareholders Register:

This section must include the procedures for registering the client who subscribed in the offered shares in the issuer's shareholder register, and the expected time period for such.

3. Procedures of Incomplete Offer

This section must include procedures to be taken by the issuer in case the offer is not completed.

4. The issuer's audited financial statements for the last fiscal year –if any–.

5. Issuer's business plan and summary of financial information:

This section must include a summary of the issuer's business plan and key financial information contained in the offering document, including financial forecasts and assumptions based thereon, financial position, cash flows and key indicators of the issuer's financial and operating performance.



6. share pricing mechanism:

This section must include the mechanism by which the price of the shares that are the subject of this offering document was determined.

7. expenses:

This section must include details of the aggregate offer expenses.

8. Ownership and organizational structure pre- and post-offering

This section must include the following information:

- 1) ownership structure pre- and post-offering.
- 2) the issuer's organizational structure showing the issuer's governing body, including the full name and description of the most significant professional and academic qualifications and area of expertise and the date of appointment of all members of the issuer's governing body or proposed members of the governing body.

9. Businesses involving related parties or conflict of interest.

10. Investment risks and existing fundamental lawsuits and their impact on the issuer's businesses.

11. Capital Market Institutions Letter:

The issuer must obtain a consent letter from the Capital Market Institution to the use of its name, logo, and statement in the offering document; the issuer must also enclose within the offering document a confirmation by the Capital Market Institution as follows (to be provided on the Capital Market Institution' letterhead):

“We ____ (insert name of capital market institution) confirm, to the best of our knowledge, and through conducting due diligence and making enquiries of the issuer and the members of its governing body, that the issuer has satisfied all conditions required for the offer of shares through securities crowdfunding in accordance with the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority (the “Authority”). We further confirm that the issuer has –to the best of our knowledge and within our capacity– provided all required information and clarifications within this document in accordance with the requirements of the Rules on the Offer of Securities and Continuing Obligations. In particular, we confirm that we have taken reasonable steps to ensure that the members of the issuer's governing body understand the nature and extent of their responsibilities under the Capital Market Law and its Implementing Regulations, and that we have reached a reasonable opinion, based on due enquiry and professional experience, that the issuer has satisfied all relevant requirements and has disclosed all required information under the Rules on the Offer of Securities and Continuing Obligations.”

The offering document must contain the following statement:

“This document may only be distributed in the Kingdom to clients registered with the securities crowdfunding platform at the capital market institution. The members of the issuer's governing body, whose names appear within this offering document, collectively and individually accept full responsibility for the accuracy of the information contained in this offering 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 from this document would make any statement herein misleading. The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the offered shares. If you do not understand the contents of this document, you should consult an authorised financial advisor. Investment in the offered shares entails high risks, and may only suit investors capable of assessing the benefits and risks of this investment and bear any losses that may result therefrom, which may extend to the loss of entire investment amount.”



ANNEX 2

CONTENTS OF A PRIVATE PLACEMENT NOTIFICATION IN RESPECT OF SHARES AND OTHER SECURITIES

[To be provided on the offeror's letterhead]

The following information, as applicable, must be signed and dated by the offeror or an authorised officer of the offeror and notified to the Authority at least ten days prior to the proposed date of the offer.

- 1) The name of the issuer, its principal place of registration and the address of its principal place of the business, in addition to the number and types of securities to be offered;
- 2) The name of the offeror(s), its principal place of registration and the address of its principal place of the business;
- 3) An acknowledgement that the offeror(s) intend(s) to make a private placement, specifying which category of private placement in Article 8 of these Rules that private placement falls into;
- 4) The name and address of the Capital Market Institution through which the offer is made;
- 5) The proposed start and end dates of the offer;
- 6) The class/classes of securities to be offered;
- 7) The offer price for each security offered (in SR);
- 8) The total offer size (in SR);
- 9) In case of limited offers, the number of offerees;
- 10) The number and types of securities previously issued by the offeror (and the issuer if different from the offeror) within the past 12 months;
- 11) The minimum amount (if any) to be paid by each offeree;
- 12) The total number of securities to be offered plus the total number of securities already issued by the offeror (and the issuer if different from the offeror);
- 13) Whether the securities to be offered are identical or, where there are differences, details of these differences;
- 14) Where the offeror or any of the directors, senior executives, controlling shareholders, or founding shareholders of the offeror have been convicted by a judicial authority of any violation involving fraud or dishonesty or a violation under the Capital Market Law, its Implementing Regulations or the Exchange Rules, or any legislation relating to companies or money laundering of which, details of such violation including details of the convicted party, the name of the judicial authority by which such party was convicted, the date of conviction and full particulars of the violation and the penalty imposed.

[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall

retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 3

CONTENTS OF A PRIVATE PLACEMENT NOTIFICATION IN RESPECT OF DEBT INSTRUMENTS

[To be provided on the offeror's letterhead]

The following information, must be signed and dated by the offeror or an authorised officer of the offeror and notified to the Authority at least ten days prior to the proposed date of the offer.

- 1) The name of the issuer, its principal place of registration and the address of its principal place of the business, in addition to the number and types of debt instruments to be offered;
- 2) The name of the offeror(s), its principal place of registration and the address of its principal place of the business;
- 3) The category of the issuer (for example: government, semi-government, central bank, bank, corporate, insurance, special purpose vehicle);
- 4) The sector in which the offeror operates (for example: financial, non-financial or government);
- 5) The fact that the offeror(s) intend(s) to make a private placement specifying which category of private placement in Article 8 of these Rules that private placement falls into;
- 6) The name and address of the Capital Market Institution through which the offer is made;
- 7) The proposed start and end dates of the offer;
- 8) The currency of debt securities to be offered;
- 9) The types of debt securities to be offered;
- 10) The price of the principal and coupon (or method of calculation of return) of the offered debt securities (in SR);
- 11) The total offer size (in SR);
- 12) In case of limited offers, the number of offerees;
- 13) The number and types of securities, including any debt securities, previously issued by the offeror (and the issuer if different from the offeror) within the past 12 months;
- 14) The total number of securities to be offered plus the total number of securities already issued by the offeror (and the issuer if different from the offeror)
- 15) Whether the securities to be offered are identical or, where there are differences, details of these differences;
- 16) Where the offeror or any of the directors, senior executives, controlling shareholders, or founding shareholders of the offeror have been convicted by a judicial authority of any violation involving fraud or dishonesty or a violation under the Capital Market Law, its Implementing Regulations or the Exchange Rules, or any legislation relating to companies or money laundering of which, details of such violation including details of the convicted party, the name of the judicial authority by which such party was convicted, the date of conviction and full particulars of the violation and the penalty imposed.



[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 4 OFFEROR'S DECLARATION

[To be provided on the offeror's letterhead]

To: The Authority

We, being _____ (*insert name of the offeror(s)*), 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 information contained in the private placement notification and offering documents to be used in advertising the offer is in accordance with the facts and contains no omission likely to affect the veracity of such information and is fair, clear and not misleading.

We further declare that all the relevant conditions for making a private placement have been satisfied and have submitted or will submit all the information and documentation required to be provided to the Authority under the Rules on the Offer of Securities and Continuing Obligations.

We hereby authorise the Authority to exchange any relevant information with any authorities, agencies or bodies having responsibility for the supervision of financial services or any other relevant authorities.

Name: _____

Name: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 4 (A) SPONSOR'S DECLARATION

To: The Authority

We, being _____ (insert name of sponsor) (“the sponsor”), 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) that all information included in the private placement notification and offering documents to be used in advertising the offer are similar to the facts, clear, not misleading and have no insufficiency that may affect such information.

We confirm that all the relevant conditions for registration and admission to listing has been satisfied, and that all the information required to be delivered under the Rules on the Offer of Securities and Continuing Obligations, has been or will be supplied.

We hereby authorise the Authority to exchange any relevant information with the authorities, agencies or bodies having responsibility for the supervision of financial services or other relevant authorities.

Name: _____

Name: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 5 CAPITAL MARKET INSTITUTION'S DECLARATION

[To be provided on the Capital Market Institution's letterhead]

To: The Authority

We, _____ (*insert name of the "Capital Market Institution"*) (the Capital Market Institution), hereby confirm that we have been appointed by _____ (*insert name of offeror*) (the offeror) to offer securities of the offeror.

We further declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) that the offeror has satisfied all the relevant conditions for making a private placement and has submitted or will submit all the information and documentation required to be provided to the Authority under the Rules on the Offer of Securities and Continuing Obligations.

We hereby authorise the Authority to exchange any relevant information with the authorities, agencies or bodies having responsibility for the supervision of financial services or other relevant authorities.

Signed on behalf of the Capital Market Institution: [the authorised officer]:

Name: _____

Signature: _____

Date: _____

[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 6

STATEMENT TO BE INCLUDED IN THE PRIVATE PLACEMENT OFFERING DOCUMENTS

The private placement offering documents must include the following statement:

“This document may not be distributed in the Kingdom except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial advisor.”



ANNEX 6 (A)

CONTENTS OF THE PRIVATE PLACEMENT OFFER DOCUMENT FOR SECURITIES ISSUED BY A SPECIAL PURPOSES ENTITY

The Private Placement Offer Documents shall contain the following statement:

“The securities offered hereby are issued by a special purposes entity licensed by the Capital Market Authority. The Capital Market Authority maintains a register of special purposes entities and regulates the special purposes entity. The Capital Market Authority does not approve, and is not responsible for, the terms of the securities the special purposes entity issues, the financing structure the special purposes entity employs, or the investment risks and rewards associated with the securities. The Capital Market Authority does not regulate or monitor the value of the assets of the special purposes entity or the ability of the special purposes entity to meet its obligations and makes no endorsement of or recommendation about the securities.”



ANNEX 7

CONTENTS OF A REGISTRATION DOCUMENT FOR REGISTRATION OF DEBT INSTRUMENTS OFFERED BY WAY OF PRIVATE PLACEMENT FOR AN ISSUER WITHOUT SECURITIES LISTED ON THE EXCHANGE

A registration document submitted for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by an issuer without securities listed on the Exchange must contain the information under the following sections at a minimum:

1. Cover page

This section must include the following information (where applicable):

- 1) the issuer's name, incorporation date and commercial registration number. If the issuer is a special purposes entity, a license to establish a special purposes entity and the sponsor's commercial registration;
- 2) capital and number of shares, and the sponsor's capital if the issuer is a special purposes entity;
- 3) a summary that includes the details and rights of the debt instruments;
- 4) shares and debt instruments that have been previously listed (if applicable). If the issuer is a special purposes entity, shares and debt instruments that have been previously listed by the special purposes entity and the sponsor (if any);
- 5) a statement that the issuer has submitted the application for registration of securities subject to this document to the Authority, has submitted the application for listing to the Exchange, and has submitted all the required documents to the relevant authorities;
- 6) a statement on the importance of referring to the "Important Notice" and the "Risk Factors" under section (2) and section (9) of this Annex, respectively; and
- 7) the following declaration:

"This registration document includes information provided as part of the application for registration of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange Company. The issuer's directors (and the sponsor's directors if the issuer is a special purposes entity), whose names appear in this document, 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 Saudi Stock Exchange Company do not take any responsibility for the contents 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. In the event that any of the contents of this document cannot be understood, an authorized financial advisor shall be consulted."

2. Important notice

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



3. Corporate directory

This section must include the following information (where applicable):

- 1) The issuer's and its representatives' contact information (and contact information for the sponsor and its representatives in the event that the sponsor is a special purposes entity), including addresses, telephone numbers, e-mail addresses, and the issuer's website (and the sponsor's website in the event that the sponsor is a special purposes entity).
- 2) The contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the registration document has been attributed:
 - a. the financial advisor;
 - b. the legal advisor;
 - c. the external auditor;
 - d. the custodian (where applicable); and
 - e. the board members of the special purposes entity (where applicable).
- 3) A statement that the non-objection of the participating parties to use their names, logos, and statements in the registration document was obtained.

4. Summary

This section must include a disclaimer to the target investors on the importance of reading the registration document prior to making an investment decision. This section must include the following information (where applicable):

- 1) the issuer's name, description and incorporation information (and the name of the sponsor, its description, and incorporation information if the issuer is a special purposes entity);
- 2) the issuer's activities (and the sponsor if the issuer is a special purposes entity);
- 3) substantial shareholders showing their ownership percentages and number of shares. If the issuer is a special purposes entity, substantial shareholders of the sponsor showing their ownership percentages and number of shares;
- 4) details of the debt instruments to be listed, their rights, and any restrictions imposed upon them;
- 5) the nominal value for debt instrument;
- 6) if the issuer is a special purposes entity, the sponsor's commitment to ensure that the due payments are paid as per the debt instruments (as applicable);
- 7) details of repayment related dates including final maturity date and early repayment dates, specifying whether exercisable at the request of the issuer or sponsor (as applicable) or at the request the holders of the debt instruments, and the date from which payments are due to start;
- 8) details of the arrangements for transfer of the debt instruments;



- 9) the names and addresses of the paying agents, and any registrar and transfer agents for the debt instruments;
- 10) details of the early redemption of the debt instruments (if any);
- 11) any additional information required by the Authority to be provided in the registration document as it deems appropriate; and
- 12) a statement on the importance of referring to the “Important Notice” and the “Risk Factors” under section (2) and section (9) of this Annex.

5. Summary of basic information

This section must include a summary of the basic information contained in the registration document, including:

- 1) a disclaimer to investors about consideration of the registration document as a whole, and not merely the summary;
- 2) a description of the issuer (and a description of the sponsor if the issuer is a special purposes entity);
- 3) the issuer’s mission and overall strategy (and the sponsor’s mission and overall strategy if the issuer is a special purposes entity);
- 4) the issuer’s key strengths and competitive advantages (and the sponsor’s key strengths and competitive advantages if the issuer is a special purposes entity);
- 5) an overview of the market (and an overview of the market in which the sponsor operates if the issuer is a special purposes entity); and
- 6) if the issuer is a special purposes entity, a summary of the financing transaction for the special purposes entity and the sponsor’s commitment to ensure that the due payments are paid as per the debt instruments (as applicable).

6. Summary of financial information

This section must include a summary of key financial information contained in the registration document, including issuer’s operational performance, financial condition, cash flows and key indicators (and the sponsor’s operational performance, financial condition, cash flows and key indicators if the issuer is a special purposes entity)

7. Table of contents

This section must include the registration document table of contents.

8. Terms and definitions

This section must include the terms and definitions used in the registration document.

9. Risk factors

This section must contain information in relation to risk factors specific to:

- 1) the issuer (and the sponsor if the issuer is a special purposes entity);



- 2) the market and industry in which the issuer operates (and the market and industry in which the sponsor operates if the issuer is a special purposes entity); and
- 3) securities that are the subject of the registration document.

10. Information about the market and sector (as applicable)

If the issuer is a special purposes entity, this section must include information on the market and sector in which the sponsor operates.

11. The issuer and sponsor (where applicable) background, business nature

This section must include the issuer's background and business nature (and the sponsor's background and business nature if the issuer is a special purposes entity), including the following information:

- 1) the issuer's official name, commercial registration number, the address shown in the commercial registration, and the principal address of the issuer if it is different than the address shown in the commercial registration (and that of the sponsor if the issuer is a special purposes entity);
- 2) the date of incorporation of the issuer (and that of the sponsor if the issuer is a special purposes entity);
- 3) the authorized shares of the issuer, the number of shares issued or agreed to be issued, the value paid up, the nominal value and a description of the shares;
- 4) if the issuer is a special purposes entity, the sponsor's authorized shares, number of shares issued or agreed to be issued, value paid up, nominal value and a description of the shares;
- 5) description of organization chart of the group showing the issuer's position within that group (or that of the sponsor if the issuer is a special purposes entity) (if applicable);
- 6) the general nature of the business of the issuer (or the sponsor if the issuer is a special purposes entity), its subsidiaries (if applicable), and details of the main products sold or services provided and an indication of any significant new products or activities;
- 7) if the issuer (or the sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable) trades outside the Kingdom, a statement showing the location of such trading operations must be provided. Where a material portion of assets of the issuer (or the sponsor if the issuer is a special purposes entity) or of its subsidiaries (if any) are outside the Kingdom, the value and location of such assets and the value of the assets located in the Kingdom must be provided;
- 8) information concerning the policy of the issuer (or the sponsor if the issuer is a special purposes entity) and its subsidiaries (if applicable) on the research and development of new products and production processes over the past three financial years, where significant;
- 9) particulars of any interruption in the business of the issuer (or the sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable) which may have or has had a significant effect on the financial position in the last 12 months;
- 10) the number of people employed by the issuer and the issuer's subsidiaries (if applicable) and any material changes to that number over the last two financial years, with a breakdown of persons employed by main categories of activity and by Saudization ratio;



- 11) a statement that no material change in the nature of the business of the issuer (or the sponsor if the issuer is a special purposes entity) is contemplated, and if one is contemplated, a detailed description of that change and its impact on the issuer's business (or that of the sponsor if the issuer is a special purposes entity) and its profitability.

12. Issuer's and Sponsor's organizational structure (as applicable)

This section must include the issuer's organizational structure (and that of the sponsor if the issuer is a special purposes entity), including the following information:

- 1) the issuer's organizational chart (and that of the sponsor if the issuer is a special purposes entity) showing the directors structure, supervisory committees, and the functions of senior executives;
- 2) full names, description of professional and academic qualifications and area of expertise and dates of appointment of all the issuer's directors (and of the sponsor's directors if the issuer is a special purposes entity), or proposed directors and senior executives for the issuer (and the sponsor if the issuer is a special purposes entity) showing whether the director is independent or non-independent and executive or non-executive;
- 3) details of other previous or current board positions held by all directors of the issuer (and of the sponsor if the issuer is a special purposes entity) or proposed directors or senior executives and the company secretary of the issuer. The details should include the name of the company, legal entity, membership start and end dates, and the sector in which the company operates;
- 4) details of any bankruptcies of each director of the issuer (and of the sponsor if the issuer is a special purposes entity) or proposed director, senior executives, or the company secretary of the issuer (and of the sponsor if the issuer is a special purposes entity);
- 5) details of any company insolvency in the preceding five years where any of the directors of the issuer (and of the sponsor if the issuer is a special purposes entity) or proposed directors, senior executives, or the company secretary of the issuer (and of the sponsor if the issuer is a special purposes entity) were employed by the insolvent company in a managerial or supervisory position;
- 6) a report showing the direct or indirect interests of each director of the issuer (and of the sponsor if the issuer is a special purposes entity) or proposed director, senior executives, or company secretary of the issuer (and of the sponsor if the issuer is a special purposes entity) and any of their relatives in the shares or debt instruments of the issuer (and of the sponsor if the issuer is a special purposes entity) and its subsidiaries (if applicable), or provide an appropriate negative statement;
- 7) the aggregate remuneration and benefits in kind granted by the issuer (and the sponsor if the issuer is a special purposes entity) or any subsidiary, during the three financial years prior to submitting the registration application for the securities that are the subject of this document, to the directors and five senior executives who received the highest payments, including the chief executive officer and the chief financial officer of the issuer (and of the sponsor if the issuer is a special purposes entity) if they were not within the top five;
- 8) full particulars of any contract or arrangement in effect or contemplated at the time of submission of the registration document in which a director or senior executive or any of their relatives has an interest in relation to the business of the issuer (and of the sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable), or provide an appropriate negative statement;



- 9) information about the board of directors committees, including the names of each committee member and a summary of the terms of reference under which each committee operates;
- 10) a summary of existing or proposed service contracts, if any, of the directors or chief executive officer and the chief financial officer of the issuer (and of the sponsor if the issuer is a special purposes entity);
- 11) information about the issuer's (and the sponsor if the issuer is a special purposes entity) compliance with the corporate governance regulation; and
- 12) any employee share schemes in place prior to the application for registration of securities that are the subject of this registration document along with details on the aggregate amount of shares owned by the employees in the issuer (or the sponsor if the issuer is a special purposes entity), and any other arrangements involving the employees in the capital of the issuer (or the sponsor if the issuer is a special purposes entity).

13. Financial information

The information required below must be provided in relation to the issuer (or the sponsor if the issuer is a special purposes entity) for the three financial years immediately preceding the application for registration of securities that are the subject of this document:

- 1) comparative tables of financial information with commentary and analysis by the issuer's management (or the sponsor if the issuer is a special purposes entity) of material financial 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 19 of the Rules on the Offer of Securities and Continuing Obligations in any of the following circumstances:
 - a. where the external auditors' report on the financial statements of the issuer (or the sponsor if the issuer is a special purposes entity) for any of the last three financial years immediately preceding the application for registration of securities that are the subject of this document;
 - b. where the issuer (or the sponsor if the issuer is a special purposes entity) has undergone restructuring in the three financial years immediately preceding the date of application for registration of securities that are the subject of this document;
 - 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 to the subparagraph (1) 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 the sponsor if the issuer is a special purposes entity), or where material, any of the issuer's subsidiaries (if applicable) within the three years immediately preceding the date of the application for registration of securities that are the subject of this document. Such particulars must state the price and terms of any issues by the issuer (or the sponsor if the issuer is a special purposes entity), or its subsidiaries (if applicable); and
 - h. details of any amendments in the capital of the issuer (or the sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable) 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.
- 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 an individual and 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, 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 (or the sponsor if the issuer is a special purposes entity) and its subsidiaries' properties (if any), or provide an appropriate negative statement;



- 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 registration of securities that are the subject of this document and the period covered in the external auditors' report up to and including the date of approval of the registration 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 registration of securities that are the subject of this document in connection with the issue or offer of any securities by the issuer (or the sponsor if the issuer is a special purposes entity) or any of its subsidiaries (if applicable), together with the names of any directors, proposed directors, senior executives, persons offering or placing the securities or experts who received any such payment or benefit or provide an appropriate negative statement.

14. Statements by experts

Where the registration document includes a statement made by an expert, a statement should be included specifying the qualifications of the expert and whether such expert or any relative has any shareholding or interest of any kind in the issuer (or the sponsor if the issuer is a special purposes entity) or any of its subsidiaries. In addition, the statement should confirm that the expert has given and not withdrawn his written consent to the publication in the registration document of the expert's statement included in the form and context in which it is included.

15. Declarations

The directors of the issuer (or the directors of sponsor if the issuer is a special purposes entity) must make the following declarations:

1. Other than what has been mentioned on page [●] of this document, there has not been any interruption in the business of the issuer (or sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable), which may have or has had a significant effect on the financial position in the last 12 months.
2. Other than what has been mentioned on page [●] of this document, there has not been any commissions, discounts, brokerages or other non-cash compensation granted within the three years immediately preceding the application for registration in connection with the issue or offer of any securities.
3. Other than what has been mentioned on page [●] of this document, there has not been any material adverse change in the financial or trading position of the issuer (or sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable) in the three years preceding the application for registration of securities that are the subject of this document.
4. Other than what is mentioned on page [●] of this document, the Board directors do not have any shareholding or interest of any kind in the issuer (or sponsor if the issuer is a special purposes entity), or any of the issuer's subsidiaries (if applicable), and nor does any relative of theirs.
5. Debt instruments that are the subject of this registration document have been priced in a fair methodology and in a manner that preserves the rights of the holders of the debt instruments.



16. Expenses

This section must include an estimation of the expenses for the direct listing of debt instruments that are the subject of this document.

17. Legal Information

This section must include the following legal information:

- 1) The following declarations from the issuer's board of directors (and that of the sponsor if the issuer is a special purposes entity):
 - a. Submitting an application for registration of securities that are the subject of this document does not violate the relevant laws and regulations in the Kingdom;
 - b. The registration of securities subject to this document does not constitute a breach of any of the contracts or agreements entered into by the issuer (or the sponsor in case the issuer is a special purposes entity);
 - c. The registration of securities that are the subject of this document does not prejudice the offering documents of the debt instruments and the related debenture agreement;
 - d. all material legal issues concerning the issuer (and sponsor if the issuer is a special purposes entity) have been disclosed in the registration document;
 - e. other than what has been mentioned on page [●] of this document, the issuer (or sponsor if the issuer is a special purposes entity) 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; and
 - f. other than what has been mentioned on page [●] of this document, the directors of the issuer (or sponsor if the issuer is a special purposes entity) 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.
- 2) a summary of all material contracts.
- 3) in relation to the issuer (and sponsor if the issuer is a special purposes entity) and its subsidiaries (if applicable), the following must be included:
 - a. particulars of any intangible assets such as trademarks, patents, copyright or other intellectual property rights which are material in relation to the issuer's or any of its subsidiaries (if applicable) business or profitability, and a statement regarding the extent to which the issuer or any of its subsidiaries (if applicable) is dependent on such assets;
 - b. particulars of any litigation or claim (including any litigation pending or threatened) or any ongoing investigations which may have a material effect on the issuer's or any of its subsidiary's business or financial position, or an appropriate negative statement.
- 4) If the issuer is a special purposes entity:
 - a. a summary of the provisions of the special purposes entity and the sponsor's by-laws and other constitutional documents, including:



1. the object clause of the special purposes entity and the sponsor;
 2. provisions relating to the special purposes entity and the sponsor's administrative, management and supervisory bodies;
 3. provisions relating to the rights and restrictions attached to the special purposes entity's securities and the financing transaction. including;
 - (a) any pledges not to apply for new loans which give privileges to new creditors;
 - (b) any control rights granted to investors by the special purposes entity;
 4. provisions governing the alteration of securities rights or classes of the special purposes entity, where applicable, and the sponsor;
 5. provisions governing liquidation and winding up of the special purposes entity, where applicable, and the sponsor;
 6. any power enabling a director or the chief executive officer of the special purposes entity, where applicable, or of the sponsor, to vote on a contract or proposal in which he has an interest;
 7. any power enabling a director or the chief executive officer of the special purposes entity, where applicable, or of the sponsor, to vote on remuneration to themselves; and
 8. any powers allowing the directors or the senior executives of the special purposes entity, where applicable, or the sponsor, to borrow from the sponsor.
- b. a summary of all material contracts of the special purposes entity and the sponsor, including summaries of any contract which is material to the financing arrangements.
- c. a summary of all related party contracts of the special purposes entity and the sponsor.

18. Waivers

This section must include details on all requirements that have been waived for the issuer by the Authority.

19. Information concerning the debt instruments

This section must include the following information:

- 1) a statement that an application has been made to the Authority for the registration of the debt instruments and to the Exchange for the listing thereof;
- 2) all details of the debt instruments that are the subject of this registration document including their terms and conditions;
- 3) the financing structure associated with the debt instruments;
- 4) the debt instruments pricing methodology;
- 5) full information on the rights conferred upon holders of the debt instruments;
- 6) details of the debt instruments;



- 7) the names and addresses of the paying agents, and any registrar and transfer agents for the debt instruments;
- 8) the proposed guiding price for the listing of debt instruments;
- 9) use of the proceeds of the offer of the debt instruments;
- 10) details of the early redemption of the debt instruments (if any);
- 11) details of repayment related dates including final maturity date and early repayment dates, specifying whether exercisable at the request of the issuer or sponsor (as applicable) or at the request the holders of the debt instruments, and the date from which payments are due to start;
- 12) details of any agreements with the representative of the holders of the debt instruments, if any, the name and function and head office of such representative, the conditions under which the representative may be replaced together with an indication of where the public may inspect copies of the documents detailing the obligations of the representative;
- 13) a description of any subordination of the debt instruments to any other debts or debt instruments of the issuer (and the sponsor if the issuer is a special purposes entity);
- 14) a description of the applicable law related to the registration of the debt instruments;
- 15) details of any restrictions on the transferability of the debt instruments;
- 16) details of the arrangements for transfer of the debt instruments;
- 17) the date upon which it is expected that trading in the debt instruments will commence, if the issuer (or the sponsor if the issuer is a special purposes entity) can anticipate such date;

20. Documents available for inspection

This section must include information in relation to the place in the Kingdom at which the following documents may be inspected and the period of time during which the inspection may take place (provided it is not less than 14 days before the end of the expected date to list the debt instruments that these documents shall remain available for inspection until the completion of listing of the debt instruments):

- 1) the by-laws and other constitutional documents of the issuer (and the sponsor if the issuer is a special purposes entity);
- 2) any document or order granting permission to offer register the securities that are the subject of this document;
- 3) all other reports, letters, documents, value estimates or statements by any expert that any part of which is extracted or referred to in the registration document;
- 4) each contract disclosed pursuant to paragraph (7) of section (12) of this Annex or a memorandum giving full particulars of the agreement;
- 5) the reviewed financial statements of the issuer for each of the three financial years immediately preceding the date of the publication of the registration document, in addition to the most recent interim financial statements. If the issuer is a special purposes entity, the reviewed financial statements of the sponsor for each of the three financial years immediately preceding the date of the publication of the registration document, in addition to the most recent interim financial statements; and

- 6) any other documentation that may be required by the Authority.

21. External auditor's report

The issuer's audited financial statements for the three years immediately preceding the date of the publication of the registration document, in addition to the most recent interim financial statements, must be enclosed.

22. Guarantees

Where a guarantee, pledge or other similar commitment is to be provided, the following information must be included:

- 1) details regarding the terms, conditions and scope of the guarantee, pledge or other similar commitment including any conditionality on the application of the guarantee, pledge or similar commitment; and
- 2) copies of the external auditor's report and the directors' report on the accounts of the guarantor company.



ANNEX 8

CONTENTS OF A REGISTRATION DOCUMENT FOR REGISTRATION OF DEBT INSTRUMENTS OFFERED BY WAY OF PRIVATE PLACEMENT FOR AN ISSUER THAT HAS SECURITIES CURRENTLY LISTED ON THE EXCHANGE

A registration document submitted for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by an issuer that has securities currently listed on the Exchange must contain the information under the following sections at a minimum:

1. Cover page

This section must include the following information (where applicable):

- 1) the issuer's name, incorporation date and commercial registration number. If the issuer is a special purposes entity, a license to establish the special purposes entity and the sponsor's commercial registration;
- 2) capital and number of shares, and the sponsor's capital if the issuer is a special purposes entity;
- 3) a summary that includes the details and rights of the debt instruments;
- 4) shares and debt instruments that have been previously listed (if applicable). If the issuer is a special purposes entity, shares and debt instruments that have been previously listed by the special purposes entity and the sponsor (if any);
- 5) a statement that the issuer has submitted the application for registration of securities subject to this document to the Authority, has submitted the application for listing to the Exchange, and has submitted all the required documents to the relevant authorities;
- 6) a statement on the importance of referring to the "Important Notice" and the "Risk Factors" under section (2) and section (5) of this Annex, respectively;
- 7) the following declaration:

"This registration document includes information provided as part of the application for registration of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange Company. The issuer's directors (and the sponsor's directors if the issuer is a special purposes entity), whose names appear in this document, 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 Saudi Stock Exchange Company do not take any responsibility for the contents 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. In the event that any of the contents of this document cannot be understood, an authorized financial advisor shall be consulted."

2. Important notice

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



3. Corporate directory

This section must contain the following (where applicable):

- 1) The issuer's and its representatives' contact information (and contact information for the sponsor and its representatives if the issuer is a special purposes entity), including addresses, telephone numbers, e-mail addresses, and the issuer's website (and the sponsor's website if the issuer is a special purposes entity).
- 2) The contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the registration document has been attributed:
 - a. the financial advisor;
 - b. the external auditor;
 - c. the custodian (where applicable); and
 - d. the board members of the special purposes entity (where applicable).

4. Summary

This section must include a disclaimer to the target investors on the importance of reading the registration document prior to making an investment decision, and include the following information (where applicable):

- 1) the issuer's name, description and incorporation information;
- 2) if the issuer is a special purposes entity, the name of the entity and sponsor, their descriptions, their incorporation information, and a summary of the financing transaction for the special purposes entity;
- 3) details of the debt instruments to be listed, their rights, and any restrictions imposed upon them;
- 4) if the issuer is a special purposes entity, the sponsor's commitment to ensure that the due payments are paid as per the debt instruments (as applicable);
- 5) any additional information required by the Authority to be provided in the registration document as it deems appropriate; and
- 6) a statement on the importance of referring to the "Important Notice" and the "Risk Factors" under section (2) and section (5) of this Annex, respectively.

5. Risk factors

This section must contain information in relation to risk factors specific to:

- 1) the issuer (and the sponsor if the issuer is a special purposes entity);
- 2) the market and industry in which the issuer operates (and the market and industry in which the sponsor operates if the issuer is a special purposes entity); and
- 3) securities that are the subject of the registration document.



6. Table of contents

This section must include the registration document table of contents.

7. Terms and definitions

This section must include the terms and definitions used in the registration document.

8. Declarations

The directors of the issuer (and the directors of the sponsor if the issuer is a special purposes entity) must make the following declarations:

- 1) Other than what has been mentioned on page [●] of this document, there has not been any interruption in the business of the issuer (or sponsor if the issuer is a special purposes entity) or 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.
- 2) Other than what has been mentioned on page [●] of this document, there has not been any material adverse change in the financial or trading position of the issuer (or sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable) in the year preceding the application for registration of securities that are the subject of this document.
- 3) Debt instruments that are the subject of this registration document have been priced in a fair methodology and in a manner that preserves the rights of the holders of the debt instruments.
- 4) The registration of securities that are the subject of this document does not prejudice the offering documents of the debt instruments and the related debenture agreement.

9. Information concerning the debt instruments

This section must include the following information:

- 1) all details of the debt instruments that are the subject of this registration document including their terms and conditions;
- 2) the financing structure associated with the debt instruments;
- 3) the debt instruments' pricing methodology;
- 4) the proposed guiding price for the listing of debt instruments;
- 5) use of proceeds of the offering of the debt instruments (where applicable);
- 6) details of the early redemption of the debt instruments (if any);
- 7) the nominal value for debt instrument;
- 8) details of repayment related dates including final maturity date and early repayment dates, specifying whether exercisable at the request of the issuer or sponsor (as applicable) or at the request the holders of the debt instruments, and the date from which payments are due to start;
- 9) details of the arrangements for transfer of the debt instruments;
- 10) the names and addresses of the paying agents, and any registrar and transfer agents for the debt instruments; and

- 11) a statement that an application has been made to the Authority for the registration of the debt instruments and to the Exchange for the listing thereof.



ANNEX 9 CONTENT OF APPLICATION

The application must be submitted on the letterhead of the issuer and contain the following information:

First: Shares

- Number of issued shares
- Class
- Nominal value per share (in SR)
- Amount paid up per share (in SR)
- Total amount paid up for issued shares

Second: Debt instruments and convertible debt instruments

- Number of debt instruments or convertible debt instruments issued
- Class
- Nominal Value
- Redemption value
- Total nominal value of the debt instruments

Third: Ownership of shares

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

Fourth: 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
- 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

The application must be by way of a letter dated and signed by the issuer or an authorised officer of the issuer and contain an authorisation in the form below:

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

[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 10 ISSUER'S DECLARATION

[To be provided on the Issuer's letterhead]

To: The Authority

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) has satisfied all the relevant conditions for approval of its application for registration and offer of securities or its application for the registration of securities [*use as applicable*] and all other relevant requirements of the Capital Market Law its Implementing Regulations and the Exchange Rules;
- 2) has included all the information required to be included in the prospectus or shareholders' circular or registration document [*use as applicable*] pursuant to the Capital Market Law and the Rules on the Offer of Securities and Continuing Obligations; and
- 3) has or will supply all the documents required by the Rules on the Offer of Securities and Continuing Obligations.

We confirm that there are no other facts bearing on the issuer's application for registration and offer of securities or application for the registration of securities [*use as applicable*] which in our opinion should have been disclosed to the Authority. We further confirm that we:

- 1) have read and understood the Capital Market Law, the Listing Rules of the Saudi Stock Exchange Company (the "Listing Rules") and the Rules on the Offer of Securities and Continuing Obligations;
- 2) have understood the nature of our responsibilities and obligations as directors of a company whose securities are listed; and
- 3) 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 issuer and securities comply with the applicable requirements of the Rules on the Offer of Securities and Continuing Obligations and in the Listing Rules. We hereby jointly and severally undertake and agree to comply with the Capital Market Law and applicable regulations and rules from time to time issued by the Authority and in particular undertake and agree to comply with the continuing obligations vis-à-vis the Authority set out in the relevant Part of the Capital Market Law and the Rules on the Offer of Securities and Continuing Obligations and the Companies Law. 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 Companies Law, the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations, as well as other rules from time to time issued by the Authority. We acknowledge the power of the Authority to suspend or cancel the listing of the issuer's securities and to take other actions in accordance with its rules.

We jointly and severally confirm that the funds and assets raised through the offer of any securities shall be utilised in accordance with the reasons disclosed in the relevant prospectus or shareholders' circular [*use as applicable*], unless we obtain the general assembly's approval for any alternative use [*use as applicable*]. We further confirm that the financial information in the relevant prospectus or shareholders' circular or registration document [*use as applicable*] has been extracted without material



adjustment from the audited financial statements, and that such financial statements have been prepared and audited in accordance with the auditing standards issued by ("*please insert the accounting standard*").

We hereby authorise the Authority to exchange any relevant information with the authorities, agencies or bodies having responsibility for the supervision of financial services or other relevant authorities.

Signed on behalf of the issuer: the directors

Name: _____

Signature: _____

Date: _____

Name: _____

Signature: _____

Date: _____

Name: _____

Signature: _____

Date: _____

[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 10 (A) SPONSOR'S DECLARATION

To: The Authority

We, being directors of _____ (insert name of sponsor) ("the sponsor"), 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 sponsor:

1. has satisfied all the relevant conditions for registration and admission to listing or application for the registration of securities [use as applicable] and all other relevant requirements of the Capital Market Law and the Exchange Rules;
2. has included all the information required to be included in the prospectus or registration document [use as applicable] pursuant to the Capital Market Law and Rules on the Offer of Securities and Continuing Obligations; and
3. has or will supply all the documents required by the Capital Market Law and Rules on the Offer of Securities and Continuing Obligations.

We confirm that there are no other facts bearing on the issuer's application for registration and admission to listing or application for the registration of securities, which in our opinion, should have been disclosed by the sponsor to the Authority. We further confirm that we:

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

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 special purposes entity and the sponsor compliance with these requirements. We hereby jointly and severally undertake and agree to comply with the Capital Market Law, the Listing Rules, the Rules on the Offer of Securities and Continuing Obligations and other rules issued from time to time by the Authority. We, in particular, undertake and agree to comply with the continuing obligations to the Authority, as set out in the relevant part of the Capital Market Law, the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations. We further jointly and severally undertake to use our best efforts to ensure that the special purposes entity and the sponsor also comply with the Capital Market Law, the Listing Rules, the Rules on the Offer of Securities and Continuing Obligations and other rules issued from time to time by the Authority. We acknowledge the power of the Authority to suspend or cancel the listing of the special purposes entity's securities and to take any other actions in accordance with its rules.

We jointly and severally confirm that the funds raised through the offer of any securities shall be utilised in accordance with the purposes disclosed in the relevant prospectus, unless we inform the Authority and the shareholders otherwise and obtain their approval for any alternative use [use as applicable]. We further confirm that the financial information in the relevant prospectus, or relevant registration document [use as applicable], has been obtained, without any material adjustment, from the audited financial statements and that such financial statements have been prepared and audited in accordance with the (auditing standards).

We hereby authorise the Authority to exchange any relevant information with the authorities, agencies or bodies having responsibility for the supervision of financial services or other relevant authorities.



Signed on behalf of the sponsor: the directors

Name: _____

Name: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

Name: _____

Signature: _____

Date: _____

[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 11 DIRECTOR'S DECLARATION

Each director (or comparable official) of an issuer must sign and submit a declaration containing the following information:

Firs: Information regarding board members:

- 1) Full name.
- 2) Passport / Civil Registry number.
- 3) Date of birth.
- 4) Residential address.
- 5) Nationality.
- 6) Professional and academic qualifications, if any.
- 7) Business experience during the last five years (to include name of the organisation, the nature of its business, dates of employment and the positions held).

Second: Answer the following questions:

- 1) Are you a director of any other organisation or a partner in any partnership? If yes, state the name of any such organisation or partnership, its legal status, the nature of its business, and date you became a director or partner.
- 2) Have you at any time been declared bankrupt in any jurisdiction? If so, state the court by which you were adjudged bankrupt and, if discharged, the date and conditions on which you were granted your discharge.
- 3) Have you at any time been a party to a deed of arrangement or made any other form of composition with your creditors?
- 4) Are there any unsatisfied judgements outstanding against you? If so, give full particulars.
- 5) Are you aware of any lawsuits, litigation, investigations or any similar regulatory or governmental action against you? If so, give full particulars.
- 6) Has any company or special purposes entity been put into compulsory liquidation or has an administrator or an administrative or other receiver been appointed during the period when you were one of its directors? If so, give full particulars.
- 7) Has any partnership been put into compulsory liquidation or been sequestrated during the period when you were one of its partners? If so, in each case state the name, nature of business, date of commencement of winding up, administration or receivership and the amount together with an indication of the outcome or current position.
- 8) Have you at any time or has a company or special purposes entity of which you were a director at the time of the offence been convicted in any jurisdiction of any offence involving fraud or dishonesty or an offence under legislation relating to companies or money laundering. If so, all such convictions must be disclosed together with the name of the court by which you were or the



company was convicted, the date of conviction and full particulars of the offence and the penalty imposed.

- 9) Have you, in connection with the formation or management of any company, partnership or unincorporated institution been adjudged by a court in any jurisdiction civilly liable for any fraud, misfeasance or other misconduct by you towards it or towards any of its members? If so, give full particulars.
- 10) Have you ever been disqualified by a court from acting as a director of a company or special purposes entity, or from acting in the management or conduct of the affairs of any company or special purposes entity? If so, give full particulars.
- 11) Have you been refused membership or renewal of membership in any professional body, institution or association, or stock exchange or been censured or disciplined or had membership withdrawn by any such body to which you belong or belonged or have you held a practising certificate subject to conditions? If so, give full particulars.

Third: A declaration in the following form:

"I [*Insert Name*] being a director of the company or special purposes entity [*state name of company or special purposes entity*] declare that to the best of my knowledge and belief (having taken all reasonable care to ensure that such is the case) the answers to all the above questions are true and complete. I hereby authorise the Authority to exchange any relevant information with the authorities, agencies or bodies having responsibility for the supervision of financial services or any other relevant authorities."

Name: _____

Signature: _____

Date: _____

[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 11 (A)

DIRECTOR'S DECLARATION IN A STRUCTURE WITH RIGHT TO RECOURSE

Each director (or comparable official) of an issuer must sign and submit a declaration containing the following information:

Firs: Information regarding the board member:

- 1) Full name.
- 2) Passport / Civil Registry number.
- 3) Date of birth.
- 4) Residential address.
- 5) Nationality.
- 6) Professional and academic qualifications, if any.
- 7) Business experience during the last five years (to include name of the organisation, the nature of its business, dates of employment and the positions held).

Second: Answer the following questions:

- 1) Are you a director of any other organisation or a partner in any partnership? If yes, state the name of any such organisation or partnership, its legal status, the nature of its business, and date you became a director or partner.
- 2) Have you at any time been declared bankrupt in any jurisdiction? If so, state the court by which you were adjudged bankrupt and, if discharged, the date and conditions on which you were granted your discharge.
- 3) Have you at any time been a party to a deed of arrangement or made any other form of composition with your creditors?
- 4) Are there any unsatisfied judgements outstanding against you? If so, give full particulars.
- 5) Are you aware of any lawsuits, litigation, investigations or any similar regulatory or governmental action against you? If so, give full particulars.
- 6) Has any company been put into compulsory liquidation or appointed to an administrator or a receiver during the period when you were one of its directors? If so, give full particulars.
- 7) Has any partnership been put into compulsory liquidation or been sequestrated during the period when you were one of its partners? If so, in each case state the name, nature of business, date of commencement of liquidation, the administration or receivership appointed by the court and the amount, together with an indication of the outcome or current position.
- 8) Have you at any time or has a company of which you were a director at the time of the offence been convicted in any jurisdiction of any offence involving fraud, dishonesty or an offence under legislation relating to companies or money laundering. If so, all such convictions must be disclosed together with the name of the court by which you were or the company was convicted, the date of conviction and full particulars of the offence and the penalty imposed.



- 9) Have you, in connection with the formation or management of any company, partnership or unincorporated institution been adjudged, by a court in any jurisdiction, as civilly liable for any fraud, misfeasance or other misconduct by you towards it or towards any of its members? If so, give full particulars.
- 10) Have you ever been disqualified by a court in any jurisdiction from acting as a director of a company, or from acting in the management or conduct of the affairs of any company? If so, give full particulars.
- 11) Have you been denied membership or renewal of membership in any professional body, institution, association, or stock exchange in any jurisdiction? Or have you been censured or disciplined or had membership withdrawn by any such body to which you belong or belonged? or have you held a practising certificate subject to conditions? If so, give full particulars.

Third: A declaration in the following form:

"I [*Insert Name*] being a director of [*state name of sponsor*] declare that to the best of my knowledge and belief (having taken all reasonable care to ensure that such is the case) the answers to all the above questions are true and complete. Thus, I hereby authorise the Authority to exchange any relevant information with the authorities, agencies or bodies having responsibility for the supervision of financial services or any other relevant authorities."

[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 12 CONTENT OF A PROSPECTUS FOR SHARES

A prospectus submitted as part of an application for registration and offer of shares must contain the information under the following sections at a minimum:

1. Cover page

This section must include the following information (where applicable):

- 1) the issuer's name, incorporation date and commercial registration number;
- 2) capital and number of shares;
- 3) a summary of the offer including share class and rights;
- 4) substantial shareholders;
- 5) targeted types of investors;
- 6) offer period and conditions;
- 7) shares that have been listed prior to the particular offer by the issuer (if applicable);
- 8) a statement that the issuer has submitted the application for registration and offer of securities subject to this prospectus to the Authority, and an application for listing of shares on the Exchange, and that all required documents have been submitted to the relevant authorities;
- 9) a statement referring to the “Important Notice” and the “Risk Factors” under section (2) and section (10) of this Annex, respectively before making an investment decision; and
- 10) the following declaration:

“This prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange Company. The directors, whose names appear in this prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus 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 contents of this prospectus, 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 prospectus.”

2. Important notice

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

3. Corporate directory

This section must include the following:



- 1) the issuer's and its representatives' contact information, including addresses, telephone numbers, e-mail addresses, and the issuer's website.
- 2) the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the prospectus has been attributed:
 - a) the financial advisor;
 - b) the legal advisor;
 - c) the external auditor;
 - d) the underwriter; and
 - e) receiving entities

4. Offer summary

This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and include the following information (where applicable):

- 1) the issuer's name, description and incorporation information;
- 2) the issuer's activities;
- 3) substantial shareholders showing their ownership percentages and number of shares pre- and post-offering;
- 4) the capital of the issuer;
- 5) issuer's total number of shares;
- 6) the nominal value per share;
- 7) the total number of offered shares;
- 8) the percentage of offered shares to the capital of the issuer;
- 9) the offer price;
- 10) the total value of offer;
- 11) the use of the proceeds;
- 12) the number of offer shares underwritten;
- 13) the value of offer shares underwritten;
- 14) types of targeted investors;
- 15) the total number of offered shares available to each type of targeted investors;
- 16) subscription procedure for each type of targeted investors;



- 17) the minimum number of shares to be subscribed for by each type of targeted investors;
- 18) the minimum value of shares to be subscribed for by each type of targeted investors;
- 19) the maximum number of shares to be subscribed for by each type of targeted investors;
- 20) the maximum value of shares to be subscribed for by each type of targeted investors;
- 21) allocation method and description of the process where an excess of subscription monies has been received for each type of targeted investors;
- 22) the offer period;
- 23) the rights to dividends;
- 24) voting rights;
- 25) restrictions on shares;
- 26) a statement regarding whether or not there has been a prior listing of the issuer's shares; and
- 27) a statement emphasising the importance of considering the "Important Notice" and "Risk Factors" under section (2) and section (10) of this Annex, respectively prior to making an investment decision in the offered shares.

5. Key dates and subscription procedure

This section must include:

- 1) a timetable showing the expected dates of the offering; and
- 2) a description of the subscription procedure.

6. Summary of basic information

This section must include a summary of the basic information contained in the prospectus, including:

- 1) a disclaimer to investors about consideration of the prospectus as a whole, and not merely the summary;
- 2) a description of the issuer;
- 3) the issuer's mission and overall strategy;
- 4) the issuer's key strengths and competitive advantages; and
- 5) an overview of the market.

7. Summary of financial information

This section must include a summary of key financial information contained in the prospectus, including issuer's operational performance, financial condition, cash flows, and key performance indicators.



8. Table of contents

This section must include the prospectus table of contents.

9. Terms and definitions

This section must include the terms and definitions used through the prospectus.

10. Risk factors

This section must include information in relation to risk factors specific to:

- 1) the issuer;
- 2) the market or industry in which the issuer operates; and
- 3) the securities being offered.

11. Market and industry information

This section must include information on market trends and industry information specific to the issuer's operations and the source of the information contained therein.

12. Issuer's background and business nature

This section must include the following information:

- 1) the official name, commercial registration number and the address shown in the commercial registration and, if different, the principal address of the issuer;
- 2) the date of incorporation of the issuer;
- 3) the authorised shares of the issuer, the number of shares issued or agreed to be issued, the value paid up, the nominal value and a description of the shares;
- 4) a description and organisation chart of the group showing the issuer's position within that group (if applicable);
- 5) the general nature of the business of the issuer and the issuer's substantial subsidiaries (if applicable) and details of the main products sold or services performed and an indication of any significant new products or activities;
- 6) if the issuer or the issuer's substantial subsidiaries (if applicable) trades outside the Kingdom, a statement showing the location of such trading operations must be provided. Where a material portion of the issuer or the issuer's subsidiaries assets' are outside the Kingdom, the value and location of such assets and the value of the assets located in the Kingdom;
- 7) information concerning the policy of the issuer and the issuer's substantial subsidiaries (if applicable) on the research and development of new products and production processes over the past three financial years, where significant;
- 8) particulars of any interruption in the business of the issuer and the issuer's substantial subsidiaries (if applicable) which may have or has had a significant effect on the financial position in the last 12 months;



- 9) the number of people employed by the issuer and the issuer's substantial subsidiaries (if applicable) and any material changes to that number over the last two financial years, with a breakdown of persons employed by main categories of activity and by Saudisation ratio; and
- 10) a statement that no material change in the nature of the business is contemplated or, if one is contemplated, a detailed description of that change and its impact on the issuer's business and profitability.

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.

13. Ownership and Organisational structure

This section must include the following information:

- 1) Ownership structure pre- and post-offering
- 2) Management:
 - a) the issuer's organisational chart showing the directors structure, supervisory committees, and the functions of senior executives;
 - b) the full names and description of the most significant professional and academic qualifications and area of expertise and the date of appointment of all the directors or proposed directors (showing whether the director is independent or executive or non-executive), in addition to the senior executives and the secretary of the board;
 - c) details of other previous or current board positions held by all the directors or proposed directors, senior executives, and the secretary of the board. The details should include the name of the company, legal entity, membership dates, and the sector in which the company operates;
 - d) details of any bankruptcies of each director or proposed director, senior executives, or the secretary of the board;
 - e) details of any company insolvency in the preceding five years where any of the directors or proposed directors, senior executives, or the secretary of the board were employed by the insolvent company in a managerial or supervisory capacity;
 - f) a statement showing the direct or indirect interests of each director or proposed director, senior executives, secretary of the board, and any of their relatives in (i) the shares or debt instruments of the issuer or (ii) the issuer's subsidiaries (if applicable) or (iii) that may in any way affect the business of the issuer, or provide an appropriate negative statement;
 - g) the aggregate remuneration and benefits in kind granted by the issuer or any affiliate during the three financial years prior to offering to the directors and the five senior executives who received the highest payments, including the CEO and CFO if they were not within the top five;
 - h) a summary of existing or proposed service contracts, if any, of the directors, the CEO, and CFO;



- i) full particulars of any contract or arrangement in effect or contemplated at the time of submission of the prospectus in which a director or senior executive or any of their relatives is interested in relation to the business of the issuer or the issuer's subsidiaries (if applicable), or provide an appropriate negative statement;
 - j) information about the issuer's directors' committees, including the names of each committee member and a summary of the terms of reference under which the committee operates; and
 - k) information on the issuer's compliance with Corporate Governance Regulations.
- 3) Employees
- a. any employee share-schemes in place prior to the application for registration and offer of securities that are subject to this prospectus along with details on the aggregate amount of shares owned by the employees in the issuer; and
 - b. any other arrangements involving the employees in the capital of the issuer.

14. Financial information and management discussion and analysis

The information required below must be provided in relation to the issuer and the issuer's substantial subsidiaries (if applicable) for the three financial years immediately preceding the application for registration and offer of the securities that are subject to this prospectus as well as the period covered in the interim financial statements as per paragraph (4) of Article (41) of the Rules on the Offer of Securities and Continuing Obligations:

1. comparative tables of financial information with commentary and analysis by management. 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 to be prepared in accordance with the requirements of Annex (19) of the Rules on the Offer of Securities and Continuing Obligations 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 registration and offer of securities that are subject to this prospectus has been qualified;
 - b) where the issuer has undergone restructuring in the three financial years immediately preceding the date of the application for registration and offer of securities that are subject to this prospectus;
 - 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 to in sub-paragraph (a) 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 registration and offer of securities that are subject to this prospectus. 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 subsidiaries 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.
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 working capital statement in accordance with paragraph (8) of Article (41) of the Rules on the Offer of Securities and Continuing Obligations.
8. 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 registration and offer of securities that are subject to this prospectus 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 prospectus, or provide an appropriate negative statement.
9. particulars of any commissions, discounts, brokerages or other non-cash compensation granted within the three years immediately preceding the application for registration and offer of securities that are the subject of this prospectus in connection with the issue or offer of any securities by the issuer or any of the issuer's subsidiaries (if applicable), together with the names of any directors, proposed directors, senior executives, persons offering or placing the securities or experts who received any such payment or benefit, 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.

15. Dividend policy

This section must include an explanation of the issuer's dividend policy, as well as details on any dividend payments made during the last three years.

16. Use of proceeds and future projects

- a) This section must include an estimate of the proceeds of the offer and the offer expenses and a statement as to how such proceeds are intended to be used.
- b) Where the proceeds are to be used to fund future projects, the nature of these projects should be described and the following information included:
 - 1) future projects' key milestones and timetable; and
 - 2) an estimate and breakdown of future projects costs, showing the stage in which such costs will be incurred, in addition to details regarding the sources of financing.

17. Statements by experts

Where the prospectus includes a statement made by an expert, a statement should be included specifying the qualifications of the expert and whether such expert or any relative has any shareholding or interest of any kind in the issuer or any of its subsidiaries. In addition, the statement should confirm that the expert has given and not withdrawn his written consent to the publication in the prospectus of the expert's statement included in the form and context in which it is included.



18. Declarations

The directors of the issuer must make the following declarations:

- 1) other than what has been mentioned on page [●] of this prospectus, 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.
- 2) other than what has been mentioned on page [●] of this prospectus, no commissions, discounts, brokerages or other non-cash compensation have been granted within the three years immediately preceding the application for registration and offer of securities that are the subject of this prospectus in connection with the issue or offer of any securities by the issuer or any of the issuer's subsidiaries (if applicable).
- 3) other than what has been mentioned on page [●] of this prospectus, there has not been any material adverse change in the financial or trading position of the issuer or its subsidiaries (if applicable) in the three financial years preceding the application for registration and offer of securities that are subject to this prospectus 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 prospectus.
- 4) other than what is mentioned on page [●] of this prospectus, they 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.
- 5) The Issuer - individually or jointly with its subsidiaries (if any) – has a working capital sufficient for a period of at least 12 months immediately following the date of publication of the Prospectus.

19. Legal information

This section must include the following legal information:

- 1) the following declarations from the board of directors that:
 - a) the issuance does not constitute a breach of the relevant laws and regulations in Saudi Arabia;
 - b) the issuance does not constitute a breach of any contract/agreement entered into by the issuer;
 - c) all material legal issues concerning the issuer have been disclosed in the prospectus;
 - d) other than what has been mentioned on page [●] of this prospectus, 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; and
 - e) other than what has been mentioned on page [●] of this prospectus, 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.
- 2) a summary of the provisions of the issuer's bylaws and other constitutional documents, including but not limited to:



- a) the object clause;
 - b) provisions relating to the issuer's administrative, management and supervisory bodies;
 - c) provisions relating to the rights and restrictions attached to the issuer's securities;
 - d) provisions governing the alteration of share rights or classes;
 - e) provisions governing the conduct of general assembly meetings;
 - f) provisions governing liquidation and winding up;
 - g) any power enabling a director or the CEO to vote on a contract or proposal in which he has an interest;
 - h) any power enabling a director or the CEO to vote on remuneration to themselves; and
 - i) any powers allowing the directors or the senior executives to borrow from the issuer.
- 3) a summary of all material contracts.
 - 4) a summary of all related party material contracts.
 - 5) in relation to the issuer and its subsidiaries (if applicable), the following must be included:
 - a) particulars of any intangible assets such as trademarks, patents, copyright or other intellectual property rights which are material in relation to the issuer's or any of its subsidiaries (if applicable) business or profitability, and a statement regarding the extent to which the issuer or any of its subsidiaries (if applicable) is dependent on such assets; and
 - b) particulars of any litigation or claim (including any litigation pending or threatened) or any ongoing investigations which may have a material effect on the issuer's or any of its subsidiaries business or financial position, or an appropriate negative statement.
 - 6) as to the shares that are the subject of the application, a description of the rights of the holders of the shares must be provided, as follows:
 - a) the voting rights, rights to dividends, rights to redemption or repurchase or to surplus assets on liquidation, winding up or otherwise, and all other significant information regarding the rights of the holders of such shares; and
 - b) a summary of the approvals necessary for the variation of such rights.

20. Underwriter

This section must include information about the underwriter of the offer, as follows:

- 1) the name and address of the underwriter; and
- 2) the principal terms of the underwriting agreement, including the compensation arrangement between the issuer and the underwriter.

21. Expenses

This section must include details of the aggregate offer expenses.



22. Waivers

This section must include details on all requirements that have been waived for the issuer by the Authority.

23. Information concerning the shares and terms and conditions of the offer

This section must include the following information:

- 1) a statement that application has been made to the Authority for the application for registration and offer of securities and to the Exchange for listing;
- 2) the type and total value of the offer including the number of shares being offered;
- 3) the offer price and the nominal value of each share;
- 4) the subscription method;
- 5) the offer period and conditions;
- 6) the method of allocation of the shares and refund of excess monies;
- 7) when and under what circumstances the offer may be suspended;
- 8) a description of the resolutions, and approvals by virtue of which the shares will be offered;
- 9) details of any lock-up arrangement in place restricting the disposal of particular shares; and
- 10) if a public or private offer has been or is being made simultaneously on the markets of two or more countries at the same time, and if a tranche has been or is being reserved for certain of these markets, details of any such offer or tranche must be provided.

24. Subscription Declarations

This section must include information on the subscription declarations, allocation process, and the Exchange's details.

25. Documents available for inspection

This section must include information in relation to the place in the Kingdom at which the following documents may be inspected and the period of time during which the inspection may take place (being not less than 20 days before the end of the offer period):

- 1) the bylaws and other constitutional documents of the issuer;
- 2) any document or order granting permission to offer securities to the public;
- 3) each contract disclosed pursuant to sub-paragraph (i) of paragraph (2) of section (13) of this Annex or, if the contract is not produced in writing, a memorandum giving full particulars of the agreement;
- 4) all other reports, letters, documents, value estimates or statements by any expert any part of which is extracted or referred to in the prospectus; and



- 5) the audited financial statements of the issuer for each of the three financial years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements.

26. External auditor's report

The issuer's audited financial statements for the three years immediately preceding the date of the publishing the prospectus, in addition to the most recent interim financial statements, must be enclosed.



ANNEX 13

CONTENT OF A PROSPECTUS FOR A RIGHTS ISSUE

A prospectus submitted as part of an application for registration and offer of preference shares must contain the information under the following sections at a minimum:

1. Cover page

This section must include the following information (where applicable):

- 1) a summary of the offer including share class and rights;
- 2) targeted types of investors;
- 3) offer period and conditions;
- 4) shares that have been listed prior to the particular offer by the issuer;
- 5) a statement that the issuer has submitted the application for registration and offer of securities that are subject to this prospectus to the Authority and the application for listing to the Exchange and has submitted all the required documents to the relevant authorities;
- 6) a statement referring to the “Important Notice” and the “Risk Factors” under section (2) and section (10) of this Annex, respectively before making an investment decision; and
- 7) the following declaration:

“This prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange Company. The directors, whose names appear in this prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus 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 Saudi Stock Exchange Company do not take any responsibility for the contents of this prospectus, 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 prospectus.”

2. Important notice

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

3. Corporate directory

This section must include the following:

- 1) the issuer’s and its representatives’ contact information, including addresses, telephone numbers, e-mail addresses, and the issuer’s website.



- 2) the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the prospectus has been attributed:
 - a) the financial advisor;
 - b) the legal advisor;
 - c) the external auditor;
 - d) the underwriter; and
 - e) receiving entities

4. Offer summary

This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and contain the following information (where applicable):

- 1) the issuer's name, description and incorporation information;
- 2) the issuer's activities;
- 3) substantial shareholders showing their ownership percentages and number of shares pre-offering;
- 4) the purpose(s) of the issuance of the proposed rights issue;
- 5) the total proceeds expected to be raised and a detailed breakdown and description of the proposed use of the proceeds;
- 6) the total proceeds raised on the most recent rights issue, its breakdown and description as well as the use, or (where applicable) the expected use of such proceeds not yet utilised;
- 7) any information required under Annex (12) of the Rules on the Offer of Securities and Continuing Obligations that has materially changed since approval of the most recent prospectus;
- 8) any additional information required by the Authority to be provided in the rights issue prospectus as it deems appropriate;
- 9) the capital of the issuer;
- 10) issuer's total number of shares;
- 11) the nominal value per share;
- 12) the total number of offered shares;
- 13) the percentage of offered shares to the capital of the issuer;
- 14) the offer price;
- 15) the total value of offer;



- 16) the number of offer shares underwritten;
- 17) the value of offer shares underwritten;
- 18) types of targeted investors;
- 19) the total number of offered shares available to each type of targeted investors;
- 20) the minimum number of shares to be subscribed for by each type of targeted investors;
- 21) the minimum value of shares to be subscribed for by each type of targeted investors;
- 22) the maximum number of shares to be subscribed for by each type of targeted investors;
- 23) the maximum value of shares to be subscribed for by each type of targeted investors;
- 24) allocation method and description of the process where an excess of subscription monies has been received for each type of targeted investors;
- 25) the offer period;
- 26) the rights to dividends;
- 27) voting rights;
- 28) restrictions on shares or rights;
- 29) a statement regarding whether or not there has been a prior listing of the issuer's shares; and
- 30) a statement emphasising the importance of considering the "Important Notice" and "Risk Factors" under section (2) and section (10) of this Annex, respectively prior to making an investment decision in the offered shares.

5. Key dates and subscription procedure

This section must include:

- 1) a timetable showing the expected dates of the offering; and
- 2) a description of the subscription procedure.

6. Summary of basic information

This section must contain a summary of the basic information contained in the prospectus, including:

- 1) a disclaimer to investors about consideration of the prospectus as a whole, and not merely the summary;
- 2) a description of the issuer;
- 3) the issuer's mission and overall strategy;
- 4) the issuer's key strengths and competitive advantages; and



5) an overview of the market.

7. Summary of financial information

This section must contain a summary of key financial information contained in the prospectus, including issuer's operational performance, financial condition, cash flows, and key performance indicators.

8. Table of contents

This section must include the prospectus table of contents.

9. Terms and definitions

This section must include the terms and definitions used through the prospectus.

10. Risk factors

This section must contain information in relation to risk factors specific to:

- 1) the issuer;
- 2) the market or industry in which the issuer operates; and
- 3) the securities being offered.

11. Employees

- 1) Any employee share schemes in place prior to the application for registration and offer of securities that are subject to this prospectus along with details on the aggregate amount of shares owned by the employees in the issuer; and
- 2) Any other arrangements involving the employees in the capital of the issuer.

12. Financial information and management discussion and analysis

The information required below must be provided in relation to the issuer and the issuer's substantial subsidiaries (if applicable) for the three financial years immediately preceding the application for registration and offer of securities that are subject to this prospectus as well as the period covered in the interim financial statements as per paragraph (4) of Article (41) of the Rules on the Offer of Securities and Continuing Obligations:

- 1) comparative tables of financial information with commentary and analysis by management. 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 to be prepared in accordance with the requirements of Annex (19) of the Rules on the Offer of Securities and Continuing Obligations 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 registration and offer of securities that are subject to this prospectus has been qualified;
 - b) where the issuer has undergone restructuring during the three financial years immediately preceding the date of the application for registration and offer of securities that are subject to this prospectus;
 - 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 registration and offer of securities that are subject to this prospectus. 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 substantial 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 registration and offer of securities that are subject to this prospectus 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 prospectus, 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 registration and offer of securities that are subject to this prospectus in connection with the issue or offer of any securities by the issuer or any of the issuer's subsidiaries (if applicable), together with the names of any directors, proposed directors, senior executives, persons offering or placing the securities or experts who received any such payment or benefit, or provide an appropriate negative statement.

13. Use of proceeds and future projects

- a) This section must include an estimate of the proceeds of the offer and the offer expenses and a statement as to how such proceeds are intended to be used.
- b) Where the proceeds are to be used to fund future projects, the nature of these projects should be described and the following information included:
 - 1) future projects' key milestones and timetable; and
 - 2) an estimate and breakdown of future projects costs, showing the stage in which such costs will be incurred, in addition to details regarding the sources of financing.



14. Statements by experts

Where the prospectus includes a statement made by an expert, a statement should be included specifying the qualifications of the expert and whether such expert or any relative has any shareholding or interest of any kind in the issuer or any of its subsidiaries. In addition, the statement should confirm that the expert has given and not withdrawn his written consent to the publication in the prospectus of the expert's statement included in the form and context in which it is included.

15. Declarations

The directors of the issuer must make the following declarations:

- 1) other than what has been mentioned on page [●] of this prospectus, 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.
- 2) other than what has been mentioned on page [●] of this prospectus, no commissions, discounts, brokerages or other non-cash compensation have been granted within the three years immediately preceding the application for registration and offer of securities that are the subject of this prospectus in connection with the issue or offer of any securities by the issuer or any of the issuer's subsidiaries (if applicable).
- 3) other than what has been mentioned on page [●] of this prospectus, there has not been any material adverse change in the financial or trading position of the issuer or its subsidiaries (if applicable) in the three financial years preceding the application for registration and offer of securities that are subject to this prospectus 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 prospectus.
- 4) other than what is mentioned on page [●] of this prospectus, they 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.

16. Legal Information

This section must include the following declarations from the board of directors that:

- a) the issuance does not constitute a breach of the relevant laws and regulations in Saudi Arabia.
- b) the issuance does not constitute a breach of any contract/agreement entered into by the issuer.
- c) all material legal issues concerning the issuer have been disclosed in the prospectus.
- d) other than what has been mentioned on page [●] of this prospectus, 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.
- e) other than what has been mentioned on page [●] of this prospectus, 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.



17. Underwriter

This section must include information about the underwriter of the offer, as follows:

- a) the name and address of the underwriter; and
- b) the principal terms of the underwriting agreement, including the compensation arrangement between the issuer and the underwriter.

18. Waivers

This section must include details on all requirements that have been waived for the issuer by the Authority.

19. Information concerning the shares and terms and conditions of the offer

This section must include the following information:

- 1) a statement that application has been made to the Authority for the registration and offer of the securities that are subject to this prospectus and to the Exchange for listing;
- 2) the type and total value of the offer including the number of shares being offered;
- 3) the offer price and the nominal value of each share;
- 4) the subscription method;
- 5) the offer period and conditions;
- 6) the method of allocation of the shares and refund of excess monies;
- 7) when and under what circumstances the offer may be suspended;
- 8) a description of the resolutions, and approvals by virtue of which the shares will be offered;
- 9) details of any lock-up arrangement in place restricting the disposal of particular shares; and
- 10) if a public or private offer has been or is being made simultaneously on the markets of two or more countries at the same time, and if a tranche has been or is being reserved for certain of these markets, details of any such offer or tranche must be provided.

20. Price dilution

This section must include information on the price dilution effects and its impact on the shareholders.

21. Subscription Declarations

This section must include information on the subscription declarations, allocation process, and the Exchange's details.

22. Documents available for inspection

This section must include information in relation to the place in the Kingdom at which the following documents may be inspected and the period of time during which the inspection may take place (being not less than 14 days before the extraordinary general assembly and such documents must remain available for inspection until the end of the offer period):

- 1) the bylaws and other constitutional documents of the issuer;
- 2) any document or order granting permission to offer securities to the public;
- 3) any feasibility studies prepared in relation to the projects that will be financed from the proceeds of the offer;
- 4) all other reports, letters, documents, value estimates or statements by any expert any part of which is extracted or referred to in the prospectus; and



ANNEX 13 (A) CONTENT OF A PROSPECTUS FOR SHARE ISSUANCE WITH THE SUSPENSION OF PREEMPTIVE RIGHTS

A prospectus submitted as part of an application for registration and offer of shares of a capital increase with the suspension of preemptive rights must contain the information under the following sections at a minimum:

1. Cover page

This section must include the following information (where applicable):

- 1) a summary of the capital increase including share class and its rights;
- 2) The reasons for the capital increase, including management's discussion and analysis in this regard;
- 3) the general structure of the proposed capital increase;
- 4) targeted investor and their categories;
- 5) offer period and conditions;
- 6) A statement on whether the targeted investor categories include related parties, and the identity and ownership of these parties if applicable;
- 7) share pricing mechanism;
- 8) Restrictions related to participation in the subscription;
- 9) The time period of the operation;
- 10) A statement from the Board of Directors of the Issuer stating that they believe that the capital increase is in the interest of the Issuer and the shareholders;
- 11) a statement that the issuer has submitted an application to the Authority for the registration and offer of securities and an application to the Exchange for listing such securities, and that all requirements have been met;
- 12) a statement indicating the importance of referring to the "Important Notice" and "Risk Factors" included in section (2) and section (10) of this Annex;
- 13) the following declaration:

"This prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange Company. The directors, whose names appear in this prospectus, collectively and individually, accept full responsibility for the accuracy of the information contained in this prospectus 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 Saudi Stock Exchange Company do not take any responsibility for the contents of this prospectus, 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 prospectus. If any of the contents of this prospectus is difficult to understand, an authorised financial advisor must be consulted”.

2. Important notice

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

3. Corporate directory

This section must include the following:

- 1) the issuer's and its representatives' contact information, including addresses, telephone numbers, e-mail addresses, and the issuer's website.
- 2) the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the prospectus has been attributed.
 - a) the financial advisor;
 - b) the legal advisor;
 - c) the external auditor;
 - d) the Capital Market Institutions authorised to place or sell the securities.

4. Offer Summary

This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and contain the following information (where applicable):

- 1) the issuer's name, description and incorporation information;
- 2) the issuer's activities;
- 3) substantial shareholders and their ownership percentages and number of shares they own before the offering;
- 4) the capital of the issuer;
- 5) The purpose of issuing shares for the increase of capital with the suspension of preemptive rights;
- 6) the total proceeds expected to be raised and a detailed breakdown and description of the proposed use of the proceeds;
- 7) any information required under Annex (12) of the Rules on the Offer of Securities and Continuing Obligations that has materially changed since approval of the most recent prospectus;
- 8) any additional information required by the Authority to be provided in the prospectus as it deems appropriate;
- 9) issuer's total number of shares;



- 10) the nominal value per share;
- 11) the total number of offered shares;
- 12) the total number of offered shares available to each category of targeted investors;
- 13) the percentage of offered shares to the capital of the issuer;
- 14) the offer price;
- 15) the total value of the offer;
- 16) the minimum number of shares to be subscribed for by each category of targeted investors;
- 17) the minimum value of shares to be subscribed for by each category of targeted investors;
- 18) the maximum number of shares to be subscribed for by each category of targeted investors;
- 19) the maximum value of shares to be subscribed for by each category of targeted investors;
- 20) the method for share allocation and refund of amounts paid in excess to such allocation for each category of targeted investors;
- 21) the offer period;
- 22) shares that have been listed prior to the particular offer by the issuer;
- 23) the rights to dividends for the new shares;
- 24) voting rights for the new shares.
- 25) restrictions on the new shares.
- 26) The reduction percentage in the ownership of current shareholders in the issuer as a result of the capital increase for the purpose declared in the prospectus.
- 27) a statement that the proposed capital increase is subject to the shareholders' approval at the extraordinary general assembly meeting.
- 28) a statement indicating the importance of referring to the "Important Notice" and "Risk Factors" included in section (2) and section (10) of this Annex.

5. Key dates and subscription procedure

This section must include:

- 1) a timetable showing the expected dates of the offering.
- 2) a description of the subscription procedure.

6. Summary of basic information

This section must include a summary of the basic information contained in the prospectus, including:



- 1) a disclaimer to investors on making an investment decision based on reading the prospectus as a whole, and not merely the summary;
- 2) description of the issuer.
- 3) the issuer's mission and overall strategy.
- 4) the issuer's key strengths and competitive advantages.
- 5) an overview of the market.

7. Summary of financial information

This section must include a summary of key financial information contained in the prospectus, including issuer's operational performance, financial condition, cash flows, and key indicators.

8. Table of contents

This section must include the prospectus' table of contents.

9. Definitions and terms

This section must include the definitions and terms used in the prospectus.

10. Risk factors

This section must include information in regards to risk factors in relation to:

- 1) the issuer;
- 2) the market or industry in which the issuer operates; and
- 3) the securities being offered.
- 4) the change in the ownership of current shareholders and associated reduction of voting powers.

11. Employees

- 1) Any employee share schemes in place prior to the application for registration and offer of securities that are subject to this prospectus along with details on the total amount of shares owned by the employees in the issuer; and
- 2) Any other arrangements involving the employees in the capital of the issuer.

12. Use of proceeds and future projects

- 1) This section must include an estimate of the proceeds of the offer and the offer expenses and a statement as to how such proceeds are intended to be used.
- 2) If the proceeds are to be used to fund future projects, the nature of these projects should be described and the following information should be included:
 - a) future projects' key milestones and timetable; and
 - b) an estimate and breakdown of future projects' costs, showing the stages in which such costs will be incurred, in addition to details regarding the sources of financing.



13. Statements by experts

If the prospectus includes a statement made by an expert, the qualifications of the expert must be included as well as a statement on whether such expert or any relative has any shareholding or interest of any kind in the issuer or any of its subsidiaries. In addition, the statement should confirm that the expert has given and not withdrawn his written consent to the publication in the prospectus of the expert's statement included in the form and context in which it is included.

14. Declarations

The directors of the issuer must make the following declarations:

- 1) other than what has been mentioned on page [●] of this prospectus, 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.
- 2) other than what has been mentioned on page [●] of this prospectus, no commissions, discounts, brokerages fees or other non-cash compensations have been granted by the issuer or any of its subsidiaries (if applicable) during the year preceding the application for registration and offer of shares that are the subject of this prospectus in relation to the issue or offer of any shares.
- 3) other than what has been mentioned on page [●] of this prospectus, there has not been any material adverse change in the financial or commercial position of the issuer or its subsidiaries (if applicable) during the financial year preceding the application for registration and offer of shares.
- 4) other than what is mentioned on page [●] of this prospectus, neither they nor their relatives have any shareholding or interest of any kind in the issuer or any of the issuer's subsidiaries (if applicable).

15. Legal Information

This section must include the following declarations from the board of directors that:

- a) the issuance does not constitute a breach of the relevant laws and regulations in Saudi Arabia.
- b) the issuance does not constitute a breach of any contract/agreement entered into by the issuer.
- c) all material legal issues concerning the issuer have been disclosed in the prospectus.
- d) other than what has been mentioned on page [●] of this prospectus, the issuer and its subsidiaries are not subject to any lawsuits or legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position.
- e) other than what has been mentioned on page [●] of this prospectus, the directors are not subject to any lawsuits or legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position.

16. Waivers

This section must include details on all requirements that have been waived for the issuer by the Authority.



17. Information concerning the shares and terms and conditions of the offer

This section must include the following information:

- 1) a statement that application has been submitted to the Authority for the registration and offer of the shares and to the Exchange for the listing of such shares.
- 2) the type and total value of the offer including the number of shares being offered.
- 3) the offer price and the nominal value of each share.
- 4) the subscription method.
- 5) the offer period and conditions.
- 6) the method of allocation of the shares and refund of excess monies.
- 7) when and under what circumstances the offer may be suspended.
- 8) a description of the resolutions and approvals by virtue of which the shares will be offered.
- 9) details of any arrangement in place to restrict the disposal of any particular shares.
- 10) if a public or private offer has been or is being made simultaneously on the markets of two or more countries at the same time, and if a tranche has been or is being reserved for certain of these markets, details of any such offer or tranche must be provided.

18. Subscription Declarations

This section must include information on the subscription declarations, allocation process, and the Exchange's details.

19. Price dilution

This section must include information on the price dilution effects and its impact on the shareholders.

20. Procedures of Incomplete Offer

This section must include procedures to be taken by the issuer in case the offer is not completed.

21. Documents available for inspection

This section must include information in relation to the place in the Kingdom at which the following documents may be inspected and the time period during which the inspection may take place (provided that it is not less than 14 days before the date of convening the extraordinary general assembly meeting and such documents must remain available for inspection until the end of the offer period):

- 1) the bylaws and other constitutional documents of the issuer.
- 2) any document or order granting permission to offer securities to the public.
- 3) any feasibility studies prepared in relation to the projects that will be financed from the proceeds of the offer.



- 4) all other reports, letters, documents, value estimates or statements prepared by any expert and of which any part is referred to or included in the prospectus.
- 5) the consent letters of the issuer's advisors for the use of their names, logos and statements in the prospectus.
- 6) any other documents requested by the Authority.



ANNEX 14

CONTENT OF A PROSPECTUS FOR DEBT INSTRUMENTS FOR AN ISSUER WITHOUT SECURITIES LISTED ON THE EXCHANGE

A prospectus submitted for the registration and the offer of debt instruments from an issuer which does not have any listed securities on the Exchange at the time of submission must contain the information under the following sections at a minimum:

1. Cover page

This section must include the following information (where applicable):

- 1) the issuer's name, incorporation date and commercial registration number;
- 2) capital and number of shares;
- 3) a summary of the offer including debt instruments details and rights;
- 4) target participants;
- 5) offer period and conditions;
- 6) shares and debt instruments that have been listed prior to the particular offer by the issuer (if applicable);
- 7) a statement that the issuer has submitted the application for registration and offer of securities that are subject to this prospectus to the Authority, has submitted the application for listing to the Exchange and has submitted all the required documents to the relevant authorities;
- 8) a statement referring to the "Important Notice" and the "Risk Factors" under section (2) and section (9) of this Annex, respectively before making an investment decision; and
- 9) the following declaration:

"This prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange Company. The directors, whose names appear in this prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus 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 Saudi Stock Exchange Company do not take any responsibility for the contents of this prospectus, 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 prospectus."

2. Important notice

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



3. Corporate directory

This section must include the following:

- 1) the issuer's and its representatives' contact information, including addresses, telephone numbers, e-mail addresses, and the issuer's website.
- 2) the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the prospectus has been attributed:
 - a) the financial advisor;
 - b) the legal advisor;
 - c) the external auditor; and
 - d) the Capital Market Institutions authorised to place or sell the securities.
 - e) the underwriter (if any)

4. Offer summary

This section must include a disclaimer to the target investors on the importance of reading the prospectus prior to making an investment decision and include the following information (where applicable):

- 1) the issuer's name, description and incorporation information;
- 2) the issuer's activities;
- 3) substantial shareholders showing their ownership percentages and number of shares;
- 4) the capital of the issuer;
- 5) the issuer's total number of shares;
- 6) the nominal value for offered debt instrument;
- 7) the use of proceeds;
- 8) types of targeted investors;
- 9) subscription method for each type of targeted investors;
- 10) the minimum number of offer debt instruments to be subscribed for by each type of targeted investors;
- 11) the minimum value of offer of debt instruments to be subscribed for by each type of targeted investors;
- 12) the maximum number of offer debt instruments to be subscribed for by each type of targeted investors;
- 13) the maximum value of offer debt instruments to be subscribed for by each type of targeted investors;



- 14) allocation method and description of the process where an excess of subscription monies has been received for all types of targeted investors;
- 15) the offer period;
- 16) full information of rights granted to holders of the debt instruments;
- 17) debt instruments particulars;
- 18) details of repayment related dates including final maturity date and early repayment dates, specifying whether exercisable at the issuer's or the holder of debt instruments' request and the date from which payments are due to start;
- 19) restrictions on debt instruments;
- 20) details of the arrangements for transfer of the debt instruments;
- 21) the names and addresses of the paying agents, and any registrar and transfer agents for the debt instruments;
- 22) details of the early redemption of the debt instruments; and
- 23) a statement referring the reader to the "Important Notice" and the "Risk Factors" under section (2) and section (9) of this Annex, respectively before making an investment decision.

5. Summary of basic information

This section must include a summary of the basic information contained in the prospectus, including:

- 1) a disclaimer to investors about consideration of the prospectus as a whole, and not merely the summary;
- 2) a description of the issuer;
- 3) the issuer's mission and overall strategy;
- 4) the issuer's key strengths and competitive advantages; and
- 5) an overview of the market.

6. Summary of financial information

This section must include a summary of key financial information contained in the prospectus, including issuer's operational performance, financial condition, cash flows and key performance indicators.

7. Table of contents

This section must include a table of contents.

8. Terms and definitions

This section must include the terms and definitions used through the prospectus.



9. Risk factors

This section must include information in relation to risk factors specific to:

- 1) the issuer;
- 2) the market or industry in which the issuer operates; and
- 3) the securities being offered.

10. Issuer's background and business nature

This section must include the following information:

- 1) the official name, commercial registration number and the address shown in the commercial registration and, if different, the principal address of the issuer;
- 2) the date of incorporation of the issuer;
- 3) the authorised shares of the issuer, the number of shares issued or agreed to be issued, the value paid up, the nominal value and a description of the shares;
- 4) a description and organisation chart of the group showing the issuer's position within that group (if applicable);
- 5) the general nature of the business of the issuer and the issuer's subsidiaries (if applicable) and details of the main products sold or services performed and an indication of any significant new products or activities;
- 6) if the issuer or the issuer's subsidiaries (if applicable) trades outside the Kingdom, a statement showing the location of such trading operations must be provided. Where a material portion of the issuer or the issuer's subsidiaries assets' are outside the Kingdom, the value and location of such assets and the value of the assets located in the Kingdom;
- 7) information concerning the policy of the issuer and the issuer's subsidiaries (if applicable) on the research and development of new products and production processes over the past three financial years, where significant;
- 8) particulars of any interruption in the business of the issuer and the issuer's subsidiaries (if applicable) which may have or has had a significant effect on the financial position in the last 12 months;
- 9) the number of people employed by the issuer and the issuer's subsidiaries (if applicable) and any material changes to that number over the last two financial years, with a breakdown of persons employed by Saudisation ratio; and
- 10) a statement that no material change in the nature of the business is contemplated or, if one is contemplated, a detailed description of that change and its impact on the issuer's business and profitability.



11. Organisational structure

This section must include the following information:

1) Management

- a) the issuer's organisational chart showing the directors structure, supervisory committees, and the functions of senior executives;
- b) the full names and description of the most significant professional and academic qualifications and area of expertise and the date of appointment of all the directors or proposed directors (showing whether the director is independent or executive or non-executive), in addition to the senior executives and the company secretary of the issuer;
- c) details of other previous or current board positions held by all directors or proposed directors or senior executives and the company secretary of the issuer. The details should include, the name of the company, legal entity, membership dates, and the sector in which the company operates;
- d) details of any bankruptcies of each director or proposed director, senior executives, or the company secretary of the issuer;
- e) details of any company insolvency in the preceding five years where any of the directors or proposed directors, senior executives, or the company secretary of the issuer were employed by the insolvent company in a managerial or supervisory capacity;
- f) a statement showing the direct or indirect interests of each director or proposed director, senior executives, secretary of the board, and any of their relatives in (i) the shares or debt instruments of the issuer or (ii) the issuer's subsidiaries (if applicable), or provide an appropriate negative statement;
- g) the aggregate remuneration and benefits in kind granted by the issuer or any subsidiary during the three financial years prior to offering to the directors and the five senior executives who received the highest payments, including the CEO and CFO if they were not within the top five;
- h) full particulars of any contract or arrangement in effect or contemplated at the time of submission of the prospectus in which a director or senior executive or any of their relatives is interested in relation to the business of the issuer or the issuer's subsidiaries (if applicable), or provide an appropriate negative statement;
- i) information about the issuer's directors' committees, including the names of each committee member and a summary of the terms of reference under which the committee operates; and
- j) information on the issuer's compliance with corporate governance.

2) Employees

- a) any employee share schemes in place prior to the application for registration and offer of securities subject to this prospectus along with details on the aggregate amount of shares owned by the employees in the issuer; and
- b) any other arrangements involving the employees in the capital of the issuer.



12. Financial information

The information required below must be provided in relation to the issuer for the three financial years immediately preceding the application for registration and offer of securities that are subject to this prospectus as well as the period covered in the interim financial statements as per paragraph (4) of Article (41) of the Rules on the Offer of Securities and Continuing Obligations:

- 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 (19) of the Rules on the Offer of Securities and Continuing Obligations 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 registration and offer of securities that are subject to this prospectus has been qualified;
 - b) where the issuer has undergone restructuring in the three financial years immediately preceding the date of the application for registration and offer of securities that are subject to this prospectus;
 - 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 to in sub-paragraph (a) 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 subsidiaries (if applicable) within the three years immediately preceding the date of the application for registration and offer of securities that are subject to this prospectus. 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.
- 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 an individual and 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, 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 registration and offer of securities that are subject to this prospectus 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 prospectus 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 registration and offer of securities that are subject to this prospectus in connection with the issue or offer of any securities by the issuer or any of the issuer's subsidiaries (if applicable), together with the names of any directors, proposed directors, senior executives, persons offering or placing the securities or experts who received any such payment or benefit or provide an appropriate negative statement.

13. Use of proceeds

This section must include a statement as to how such proceeds are intended to be used.



14. Statements by experts

Where the prospectus includes a statement made by an expert, a statement should be included specifying the qualifications of the expert and whether such expert or any relative has any shareholding or interest of any kind in the issuer or any of its subsidiaries. In addition, the statement should confirm that the expert has given and not withdrawn his written consent to the publication in the prospectus of the expert's statement included in the form and context in which it is included.

15. Declarations

The directors of the issuer must make the following declarations:

- 1) other than what has been mentioned on page [●] of this prospectus, 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.
- 2) other than what has been mentioned on page [●] of this prospectus, no commissions, discounts, brokerages or other non-cash compensation have been granted within the three years immediately preceding the application for registration and offer of securities that are the subject of this prospectus in connection with the issue or offer of any securities by the issuer or any of the issuer's subsidiaries (if applicable).
- 3) other than what has been mentioned on page [●] of this prospectus, there has not been any material adverse change in the financial or trading position of the issuer or its subsidiaries (if applicable) in the three financial years preceding the application for registration and offer of securities that are subject to this prospectus 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 prospectus.
- 4) other than what is mentioned on page [●] of this prospectus, they 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.

16. Legal information

This section must include the following legal information:

- 1) the following declarations from the board of directors that:
 - a) the issuance does not constitute a breach of the relevant laws and regulations in Saudi Arabia;
 - b) the issuance does not constitute a breach of any contract/agreement entered into by the issuer;
- 2) a summary of all material contracts.
- 3) a summary of all related party material contracts.
- 4) in relation to the issuer and its subsidiaries (if applicable), the following must be included:
 - a) particulars of any intangible assets such as trademarks, patents, copyright or other intellectual property rights which are material in relation to the issuer's or any of its subsidiaries (if applicable) business or profitability, and a statement regarding the extent to which the issuer or any of its subsidiaries (if applicable) is dependent on such assets; and



- b) particulars of any litigation, claim (including any litigation pending or threatened) or ongoing investigation which may have a material effect on the issuer's or any of its subsidiaries business or financial position, or an appropriate negative statement.

17. Underwriter

This section must include information about the underwriter of the offer, as follows:

- 1) the name and address of the underwriter; and
- 2) the principal terms of the underwriting agreement, including the compensation arrangement between the issuer and the underwriter.

18. Expenses

This section must include details of the aggregate offer expenses.

19. Waivers

This section must include details on all requirements that have been waived for the issuer by the authority.

20. Information concerning the debt instruments and terms and conditions of the offer

This section must include the following information:

- 1) a statement that application has been made to the Authority for the registration and offer of the securities that are subject to this prospectus and to the Exchange for the listing;
- 2) the nominal value of the offer;
- 3) full information on the rights conferred upon holders of debt instruments;
- 4) particulars of the debt instruments;
- 5) subscription method;
- 6) details of the early redemption of the offer;
- 7) the names and addresses of the paying agents, and any registrar and transfer agents for the debt instruments;
- 8) details of the arrangements for transfer of the debt instruments;
- 9) details of repayment related dates including the final maturity date and early repayment dates, specifying whether exercisable at the issuer's or the holder of debt instruments' request and the date from which payments are due;
- 10) procedures and time limits for allocation and delivery of the debt instruments and, where there will be temporary documents of title, the procedures for the delivery and exchange thereof;
- 11) a description of the resolutions, and approvals by virtue of which the debt instruments will be offered;
- 12) whether there are any guarantees, pledges or commitments intended to be provided to guarantee the offer;



- 13) details of any agreements with the representative of the holders of the debt instruments, if any, the name and function and head office of such representative, the conditions under which the representative may be replaced together with an indication of where the public may inspect copies of the documents detailing the obligations of the representative;
- 14) a description of any subordination of the offer to any other debts or debt instruments of the issuer;
- 15) a description of the applicable law related to the offer;
- 16) details of any restrictions on the transferability of the debt instruments;
- 17) the date upon which it is expected that trading in the debt instruments will commence, if the issuer can anticipate such date; and
- 18) if a public or private offer has been or is being made simultaneously on the markets of two or more countries at the same time, and if a tranche has been or is being reserved for certain of these markets, details of any such offer or tranche must be provided.

21. Subscription declarations

This section must include information on the subscription declarations, allocation process, and the Exchange's details.

22. Documents available for inspection

This section must include information in relation to the place in the Kingdom at which the following documents may be inspected and the period of time during which the inspection may take place (being not less than 3 days before the start of the offer):

- 1) the bylaws and other constitutional documents of the issuer;
- 2) any document or order granting permission to offer securities to the public;
- 3) each contract disclosed pursuant to sub-paragraph (h) of paragraph (1) of section (11) of this Annex or, if the contract is not produced in writing, a memorandum giving full particulars of the agreement;
- 4) all other reports, letters, documents, value estimates or statements by any expert any part of which is extracted or referred to in the prospectus; and
- 5) the reviewed financial statements of the issuer for each of the three financial years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements.

23. External auditor's report

The issuer's audited financial statements for the three years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements, must be enclosed.

24. Guarantees

Where a guarantee, pledge or other similar commitment is to be provided the following information must be included:



- 1) details regarding the terms, conditions and scope of the guarantee, pledge or other similar commitment including any conditionality on the application of the guarantee, pledge or similar commitment; and
- 2) copies of the external auditors' and the directors' report on the accounts of the guarantor company.

25. Bylaws

The issuer's bylaws must be enclosed.



ANNEX 14 (A) CONTENTS OF A PROSPECTUS FOR DEBT-BASED RECOURSE DEBT INSTRUMENTS

A prospectus submitted for registration and admission to listing of debt-based recourse securities must contain the information under the following sections at a minimum. Additionally, such prospectus for registration and admission to listing of debt-based recourse debt instruments submitted by a Special Purposes Entity with listed securities are exempted from satisfying the requirement of sections (5), (11), (12), (13), (14/4/g) and (17/1).

1. Cover page

This section must include the following information (where applicable):

- 1) A license to establish a special purposes entity;
- 2) The sponsor's commercial registration.
- 3) The capital of the sponsor;
- 4) a summary of the offer including debt instruments details and rights;
- 5) substantial shareholders of the sponsor;
- 6) target participants;
- 7) offer period and conditions;
- 8) Shares and debt instruments that have been listed prior to the particular offer by the special purposes entity and the sponsor (if applicable);
- 9) a statement that the special purposes entity has submitted the application for admission to listing to the Authority and that all requirements have been met;
- 10) a statement referring to the "Important Notice" and the "Risk Factors" under section (2) and section (9), respectively before making an investment decision; and
- 11) the following declarations:

"This prospectus includes information given in compliance with the Listing Rules of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority"). The directors of the special purposes entity and the sponsor, whose names appear in this prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus 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 Saudi Stock Exchange Company do not take any responsibility for the contents of this prospectus, 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 prospectus"

and

"The securities offered hereby are issued by a special purposes entity licensed by the Capital Market Authority. The Capital Market Authority maintains a register of special purposes entities and regulates the special purposes entity. The Capital Market Authority does not approve, and is not responsible for, the terms of the securities the special purposes entity issues, the financing structure the special purposes entity employs, or the investment risks and rewards associated with the securities. The Capital Market Authority does not regulate or monitor the value of the assets of the special purposes entity or the ability of the special purposes entity to meet its obligations and makes no endorsement of or recommendation about the securities."



2. Important notice

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

3. Corporate directory

This section must include the following:

- 1) the special purposes entity's, the sponsor's and its representatives' contact information, including addresses, telephone numbers, e-mail addresses, and the issuer's and the sponsor's website addresses.
- 2) the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the prospectus has been attributed:
 - a) the financial advisor;
 - b) the legal advisor;
 - c) the external auditor;
 - d) the underwriter (if any);
 - e) the Capital Market Institutions authorised to place or sell the securities;
 - f) the custodian (where applicable); and
 - g) the board members of the special purposes entity.

4. Offer summary

This section must include a disclaimer to the target investors on the importance of reading the prospectus prior to making an investment decision. This section must include the following information (where applicable):

- 1) the special purposes entity's name, description and incorporation information;
- 2) the special purposes entity's activities;
- 3) substantial shareholders of the sponsor showing their ownership percentages and number of shares.
- 4) the capital of sponsor;
- 5) the nominal value for offered debt instrument;
- 6) the use of proceeds of the offer;
- 7) the sponsor ensuring the due payments are paid as per the debt instruments;
- 8) types of targeted investors of the issuer;
- 9) subscription method for each type of targeted investors of the issuer;



- 10) the minimum number of debt instruments to be subscribed for by each type of targeted investors;
- 11) the value of minimum number of debt instruments to be subscribed for by each type of targeted investors;
- 12) the maximum number of debt instruments to be subscribed for by each type of targeted investors;
- 13) the value of the maximum number of debt instruments to be subscribed for by each type of targeted investors;
- 14) allocation method and description of the process where an excess of subscription monies is returned to all types of targeted investors;
- 15) the offer period;
- 16) full information of rights granted to holders of the debt instruments;
- 17) debt instruments particulars;
- 18) details of repayment related dates including final maturity date and early repayment dates, specifying whether exercisable at the special purposes entity's or the holder of debt instruments' request and the date from which payments are due to start;
- 19) restrictions on debt instruments;
- 20) details of the arrangements for transfer of the debt instruments;
- 21) the names and addresses of the paying agents, and any registrar and transfer agents of the issuer for the debt instruments;
- 22) the names and addresses of the special purposes entity's board members;
- 23) details of the early redemption of the debt instruments; and
- 24) a statement referring to the "Important Notice" and the "Risk Factors" under section (2) and section (9), respectively before making an investment decision.
- 25) a statement confirming that arrangements have been implemented to protect holders of debt instruments in accordance with Article (68) of the Rules on the Offer of Securities and Continuing Obligations.

5. Summary of basic information

This section must include a summary of the basic information contained in the prospectus, including:

- 1) a disclaimer to investors about consideration of the prospectus as a whole, and not merely the summary;
- 2) a description of the issuer;
- 3) the issuer's mission and overall strategy;
- 4) the issuer's key strengths and competitive advantages;



- 5) an overview of the market.
- 6) a summary of the financial transaction provided to the special purposes entity and the sponsor shall ensure that the due payments are paid as per the debt instruments

6. Summary of financial information

This section must include a summary of key financial information contained in the prospectus, including issuer's operational performance, financial condition, cash flows and key performance indicators.

7. Table of contents

This section must include the table of contents of the prospectus.

8. Terms and definitions

This section must include the terms and definitions used through the prospectus.

9. Risk factors

This section must include information in relation to risk factors specific to:

- 1) the sponsor;
- 2) the market or industry in which the sponsor operates;
- 3) the special purposes entity
- 4) the securities being offered.

10. Information about the market and sector

This section must include information on the market and sector in which the sponsor operates.

11. The special purposes entity background, business nature

This section must include the following information:

- 1) the official name, commercial registration number and the address shown in the commercial registration and, if different, the principal address of the special purposes entity;
- 2) the date of incorporation of the special purposes entity;
- 3) the purpose of the special purposes entity;
- 4) the board of the special purposes entity;
- 5) the dates of appointment of all the directors or proposed directors of the special purposes entity;
- 6) details of other previous and current board positions held by all directors or proposed directors of the special purposes entity. The details should include, the name of the entity, legal status, membership dates, and the sector in which the entity operates;
- 7) details of any bankruptcies of each director or proposed director, of the special purposes entity;
- 8) details of any company insolvency in the preceding five years where any of the directors or proposed directors of the special purposes entity were employed by the insolvent company in a managerial or supervisory capacity;



- 9) a summary of existing or proposed service contracts, if any, of the directors;
- 10) a statement showing the direct or indirect interests of each director or proposed director of the special purposes entity, and every senior executives and any of their relatives in the shares, and the secretary of the special purposes entity (if any), in shares or debt instruments of the special purposes entity, the sponsor or the sponsor's subsidiaries (if any), or provide an appropriate negative statement;

12. Sponsor background, business nature

This section must include the following information:

- 1) the official name, commercial registration number and the address shown in the commercial registration and, if different, the principal address of the sponsor;
- 2) the date of incorporation of the sponsor;
- 3) the authorised shares of the sponsor, the number of shares issued or agreed to be issued, the value paid up, the nominal value and a description of the shares;
- 4) a description and organisation chart of the group showing the sponsor's position within that group (if applicable);
- 5) the general nature of the business of the sponsor and the sponsor's subsidiaries (if applicable) and details of the main products sold or services performed and an indication of any significant new products or activities;
- 6) if the sponsor or the sponsor's subsidiaries (if applicable) trades outside the Kingdom, a statement showing the location of such trading operations must be provided. Where a material portion of the sponsor or the sponsor's subsidiaries assets are outside the Kingdom, the value and location of such assets and the value of the assets located in the Kingdom;
- 7) information concerning the policy of the sponsor and the sponsor's subsidiaries (if applicable) on the research and development of new products and production processes over the past three financial years, where significant;
- 8) particulars of any interruption in the business of the sponsor and the sponsor's subsidiaries (if applicable) which may have or has had a significant effect on the financial position in the last 12 months;
- 9) the number of people employed by the sponsor and the sponsor's subsidiaries (if applicable) and any material changes to that number over the last two financial years, with a breakdown of persons employed by main categories of activity and by Saudisation ratio; and
- 10) a statement that no material change in the nature of the business is contemplated or, if one is contemplated, a detailed description of that change and its impact on the sponsor's business and profitability.



13. Sponsor's organisational structure

This section must include the following information:

- 1) management
 - (a) the sponsor's organisational chart showing the directors structure, supervisory committees, and the functions of senior executives;
 - (b) the full names and description of the professional and academic qualifications and area of expertise and the date of appointment of all the directors or proposed directors (showing whether the director is independent or non-independent and executive or non-executive), in addition to the senior executives and the company secretary of the sponsor;
 - (c) details of other previous or current board positions held by all directors or proposed directors or senior executives and the company secretary of the sponsor. The details should include, the name of the company, legal entity, membership dates, and the sector in which the company operates;
 - (d) details of any bankruptcies of each director or proposed director, senior executives, or the company secretary of the sponsor;
 - (e) details of any company insolvency in the preceding five years where any of the directors or proposed directors, senior executives, or the company secretary of the sponsor were employed by the insolvent company in a managerial or supervisory capacity;
 - (f) a statement showing the direct or indirect interests of each director or proposed director, senior executives, company secretary of the sponsor, and any of their relatives in the shares or debt instruments of the sponsor, the sponsor or the sponsor's subsidiaries (if applicable), or provide an appropriate negative statement;
 - (g) the aggregate remuneration and benefits in kind granted by the sponsor or any subsidiary during the three financial years prior to listing to the directors and the five senior executives who received the highest payments, including the CEO and CFO if they were not within the top five;
 - (h) a summary of existing or proposed service contracts, if any, of the directors or the CEO and CFO of the sponsor;
 - (i) full particulars of any contract or arrangement in effect or contemplated at the time of submission of the prospectus in which a director or senior executive or any of their relatives is interested in relation to the business of the sponsor or the sponsor's subsidiaries (if applicable), or provide an appropriate negative statement;
 - (j) information about the sponsor's directors committees, including the names of each committee member and a summary of the terms of reference under which the committee operates; and
 - (k) information on the sponsor's compliance with corporate governance.
- 2) employees
 - (a) any employee share schemes in place prior to the application for registration and admission to listing of the securities along with details on the aggregate amount of shares owned by the employees in the sponsor; and
 - (b) any other arrangements involving the employees in the capital of the sponsor.



14. Sponsor financial information

The information required below must be provided in relation to the sponsor for the three financial years immediately preceding the application for registration and admission to listing subject to this prospectus and the period referred to in preliminary financial statements according to paragraph (4) of Article (41) of the Rules for the Offer of Securities and Continuing Obligations:

- 1) comparative tables of financial information with commentary and analysis by management.
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 sponsor's annual financial statements.
- 2) a report by certified external auditor must be prepared in accordance with the requirements of Annex (19) of the Listing Rules in any of the following circumstances:
 - (a) where the external auditors' report on the consolidated financial statements of the sponsor for any of the last three financial years immediately preceding the application for registration and admission to listing has been qualified;
 - (b) where the sponsor has undergone restructuring or an alteration in capital using external financing in the three financial years immediately preceding the date of application for registration and admission to listing;
 - (c) where any material change has been made to the accounting policies of the sponsor; 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 to in sub-paragraph (a) 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 sponsor's financial position.
- 4) the information required below must be provided in relation to the financial, operating performance, and results of operations of the sponsor:
 - (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 sponsor, or where material, any of the sponsor's subsidiaries (if applicable) within the three years immediately preceding the date



- of application for registration and admission to listing. Such particulars must state the price and terms of any issues by the sponsor; and
- (h) details of any capital of the sponsor 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.
- 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 an individual and 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 sponsor or by third parties) and unsecured loans, or provide an appropriate negative statement;
- (b) a breakdown and classification of all other borrowing or indebtedness, 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 sponsor, its subsidiaries' properties (if any) and the special purposes entity's, 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 registration and admission to listing 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 prospectus 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 registration and admission to listing in connection with the issue or offer of any securities by the sponsor or any of the sponsor's subsidiaries (if applicable), together with the names of any directors, proposed directors, senior executives, persons offering or placing the securities or experts who received any such payment or benefit or provide an appropriate negative statement.



15. Financing Structure and Use of proceeds

This section must include the following:

- 1) Information regarding the financial structure including details of:
 - (a) the use of the proceeds of issuance by the special purposes entity;
 - (b) the rights to be acquired by the special purposes entity under the financing structure (including their ranking on the event of insolvency of the sponsor or any other person, where applicable);
 - (c) the nature of the claim of the special purposes entity on the sponsor;
 - (d) any direct rights of recourse of the holders against the sponsor;
 - (e) details of any security interest to be granted in favour of the special purposes entity, including a description of the assets secured and any rights to substitute such assets, or a description of any variation in such security;
- 2) a description of any obligation on the special purposes entity in relation to the transaction, including the order of priority of any payments.
- 3) Information of any investment powers associated with the special purposes entity's assets.
- 4) a description of how the cash flows will be used to meet the special purposes entity's obligations including details of:
- 5) particulars of how payments will be made by the sponsor.
- 6) a statement as to how the proceeds of issuance are intended to be used by the sponsor.
- 7) an estimate of the offer expenses.

16. Statements by experts

Where the prospectus includes a statement made by an expert, a statement should be included specifying the qualifications of the expert and whether such expert or any relative has any shareholding or interest of any kind in the sponsor or any of its subsidiaries. In addition, the statement should confirm that the expert has given and not withdrawn his written consent to the publication in the prospectus of the expert's statement included in the form and context in which it is included.

17. Declarations

The directors of the sponsor must make the following declarations:

- 1) other than what has been mentioned on page [●] of this prospectus, there has not been any interruption in the business of the special purposes entity and of the special purposes entity's subsidiaries (if applicable), which may have or has had a significant effect on the financial position in the last 12 months.
- 2) other than what has been mentioned on page [●] of this prospectus, there has not been any commissions, discounts, brokerages or other non-cash compensation granted within the three years immediately preceding the application for registration and admission to listing in connection with the issue or offer of any securities by the sponsor or any of the sponsor's subsidiaries (if applicable).



- 3) other than what has been mentioned on page [●] of this prospectus, there has not been any material adverse change in the financial or trading position of the sponsor or its subsidiaries (if applicable) in the three financial years preceding the application for registration and admission to listing 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 prospectus.
- 4) other than what is mentioned on page [●] of this prospectus, the Board directors do not have any shareholding or interest of any kind in the special purposes entity, the sponsor, or any of the sponsor's subsidiaries (if applicable), and nor does any relative of theirs.

18. Legal information

This section must include the following legal information, as relevant:

- 1) a summary of the provisions of the special purposes entity and the sponsor's by-laws and other constitutional documents, including:
 - (a) the object clause of the special purposes entity and the sponsor;
 - (b) provisions relating to the special purposes entity and the sponsor's administrative, management and supervisory bodies;
 - (c) provisions relating to the rights and restrictions attached to the special purposes entity's securities and the financing transaction. including:
 1. any pledges not to apply for new loans which give privileges to new creditors;
 2. any control rights granted to investors by the special purposes entity;
 - (d) provisions governing the alteration of securities rights or classes of the special purposes entity, where applicable, and the sponsor;
 - (e) provisions governing liquidation and winding up of the special purposes entity, where applicable, and the sponsor;
 - (f) any power enabling a director or the CEO, of the special purposes entity, where applicable, or the sponsor, to vote on a contract or proposal in which he has an interest;
 - (g) any power enabling a director or the CEO, of the special purposes entity, where applicable, or the sponsor, to vote on remuneration to themselves; and
 - (h) any powers allowing the directors or the senior executives, of the special purposes entity, where applicable, or the sponsor, to borrow from the sponsor.
- 2) a summary of all material contracts of the special purposes entity and the sponsor, including summaries of any contract which is material to the financing arrangement.
- 3) a summary of all related party contracts of the special purposes entity and the sponsor.
- 4) in relation to the special purposes entity and the sponsor and its subsidiaries (if applicable), the following information must be included:
 - a) particulars of any intangible assets such as trademarks, patents, copyright or other intellectual property rights which are material in relation to the special purposes entity's, the sponsor's or any of its subsidiaries (if applicable) business or profitability, and a statement regarding the extent to which the special purposes entity, the sponsor or any of its subsidiaries (if applicable) is dependent on such assets.
 - b) in relation to the special purposes entity, the sponsor and the sponsor's subsidiaries, particulars of any litigation or claim (including any litigation pending or threatened) which may have a material effect on the special purposes entity's, the sponsor's or any of its subsidiaries' business or financial position, or an appropriate negative statement.



19. Underwriter

This section must include information about the underwriter of the offer, as follows:

- 1) the name and address of the underwriter; and
- 2) the principal terms of the underwriting agreement, including the compensation arrangement between the special purposes entity and the underwriter.

20. Expenses

This section must include details of the aggregate offer expenses.

21. Waivers

This section must include details on all requirements that have been waived for the special purposes entity and the sponsor by the Authority.

22. Information concerning the debt instruments and terms and conditions of the offer

This section must include the following information:

- 1) a statement that application has been made to the Authority for the registration and admission to listing;
- 2) the nominal value of the offer;
- 3) full information on the rights conferred upon holders of debt instruments;
- 4) particulars of the debt instruments;
- 5) subscription method;
- 6) details of the early redemption of the offer;
- 7) the names and addresses of the paying agents, and any registrar and transfer agents for the debt instruments;
- 8) details of the arrangements for transfer of the debt instruments;
- 9) details of repayment related dates including the final maturity date and early repayment dates, specifying whether exercisable at the sponsor's or the holder of debt instruments' request and the date from which payments are due;
- 10) procedures and time limits for allocation and delivery of the debt instruments and, where there will be temporary documents of title, the procedures for the delivery and exchange thereof;
- 11) a description of the resolutions, and approvals by virtue of which the debt instruments will be offered;
- 12) whether there are any guarantees, pledges or commitments intended to be provided to guarantee the offer;
- 13) details of any agreements with the representative of the holders of the debt instruments, if any, the name and function and head office of such representative, the conditions under which the representative may be replaced together with an indication of where the public may inspect copies of the documents detailing the obligations of the representative;
- 14) a description of any subordination of the offer to any other debts or debt instruments of the special purposes entity;



- 15) a description of the applicable law related to the offer;
- 16) details of any restrictions on the transferability of the debt instruments;
- 17) the date upon which it is expected that trading in the debt instruments will commence, if the sponsor can anticipate such date; and
- 18) if a public or private offer has been or is being made simultaneously on the markets of two or more countries at the same time, and if a tranche has been or is being reserved for certain of these markets, details of any such offer or tranche must be provided.

23. Subscription declarations

This section must include information on the subscription declarations, allocation process, and the Exchange details.

24. Documents available for inspection

This section must include information in relation to the place in the Kingdom at which the following documents may be inspected and the period of time during which the inspection may take place (being not less than 3 days before the end of the offer period):

- 1) the by-laws and other constitutional documents of the special purposes entity and the sponsor;
- 2) any document or order granting permission to offer securities to the public;
- 3) each contract disclosed pursuant to sub-paragraph (i) of paragraph (1) of section (13) of this Annex or, if the contract is not produced in writing, a memorandum giving full particulars of the agreement;
- 4) all other reports, letters, documents, value estimates or statements by any expert any part of which is extracted or referred to in the prospectus; and
- 5) the reviewed financial statements of the sponsor for each of the three financial years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements.

25. External auditor's report

The special purposes entity's audited financial statements for the three years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements, must be enclosed.

26. Guarantees

Where a guarantee, pledge or other similar commitment is to be provided the following information must be included:

- 1) details regarding the terms, conditions and scope of the guarantee, pledge or other similar commitment including any conditionality on the application of the guarantee, pledge or similar commitment; and
- 2) copies of the external auditors' and the directors' report on the accounts of the guarantor company.



ANNEX 14 (B) CONTENTS OF A PROSPECTUS FOR ASSET-LINKED RECOURSE DEBT INSTRUMENTS

A prospectus submitted for registration and admission to listing of asset-linked recourse debt instruments must contain the information under the following sections at a minimum. Additionally, such prospectus for registration and admission to listing of asset-linked recourse debt instruments submitted by a Special Purposes Entity with listed securities are exempted from satisfying the requirement of sections (5), (11), (12), (13), (14/4/g) and (17/1):

1. Cover page

This section must include the following information (where applicable):

- 1) A license to establish a special purposes entity;
- 2) The sponsor's commercial registration.
- 3) The capital of the sponsor;
- 4) a summary of the offer including debt instruments details and rights;
- 5) substantial shareholders of the sponsor;
- 6) target participants;
- 7) offer period and conditions;
- 8) Shares, debt instruments and any other asset-linked recourse securities that have been listed prior to the particular offer by the special purposes entity and the sponsor (if applicable);
- 9) a statement that the special purposes entity has submitted the application for admission to listing to the Authority and that all requirements have been met;
- 10) a statement referring to the "Important Notice" and the "Risk Factors" under section (2) and section (9) of this Annex, respectively before making an investment decision; and
- 11) the following declarations:
 "This prospectus includes information given in compliance with the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority"). The directors of the special purposes entity and the sponsor, whose names appear in this prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus 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 Saudi Stock Exchange Company do not take any responsibility for the contents of this prospectus, 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 prospectus"

and

"The securities offered hereby are issued by a special purposes entity licensed by the Capital Market Authority. The Capital Market Authority maintains a register of special purposes entities and regulates the special purposes entity. The Capital Market Authority does not approve, and is not responsible for, the terms of the securities the special purposes entity



issues, the financing structure the special purposes entity employs, or the investment risks and rewards associated with the securities. The Capital Market Authority does not regulate or monitor the value of the assets of the special purposes entity or the ability of the special purposes entity to meet its obligations and makes no endorsement of or recommendation about the securities.”

2. Important notice

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

3. Corporate directory

This section must include the following:

- 1) the special purposes entity’s, the sponsor’s and its representatives’ contact information, including addresses, telephone numbers, e-mail addresses, and the special purposes entity’s and the sponsor’s website addresses.
- 2) the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the prospectus has been attributed:
 - (a) the financial advisor;
 - (b) the legal advisor;
 - (c) the external auditor;
 - (d) the underwriter;
 - (e) the Capital Market Institutions authorised to place or sell the securities;
 - (f) the custodian (where applicable); and
 - (g) Board members of the special purposes entity.

4. Offer summary

This section must include a disclaimer to the target investors on the importance of reading the prospectus prior to making an investment decision. This section must include the following information (where applicable):

- 1) the special purposes entity and the sponsor’s name, description and incorporation information;
- 2) the special purposes entity and the sponsor’s activities;
- 3) substantial shareholders of the sponsor showing their ownership percentages and number of shares.
- 4) the capital of the special purposes entity and the sponsor;
- 5) the nominal value for offered debt instrument;
- 6) the use of proceeds by the issuer and the financing transaction to be entered into by the issuer;
- 7) the commitment of the sponsor to ensure payment of amounts due under the debt instruments;
- 8) types of targeted investors of the issuer;
- 9) subscription method for each type of targeted investors of the issuer;



- 10) the minimum number of offer debt instruments to be subscribed for by each type of targeted investors;
- 11) the minimum value of offer of debt instruments to be subscribed for by each type of targeted investors;
- 12) the maximum number of offer debt instruments to be subscribed for by each type of targeted investors;
- 13) the maximum value of offer debt instruments to be subscribed for by each type of targeted investors;
- 14) allocation method and description of the process where an excess of subscription monies has been received for all types of targeted investors;
- 15) the offer period;
- 16) full information of rights granted to holders of the debt instruments;
- 17) debt instruments particulars;
- 18) details of repayment related dates including final maturity date and early repayment dates, specifying whether exercisable at the issuer's or the holder of debt instruments' request and the date from which payments are due to start;
- 19) restrictions on debt instruments;
- 20) details of the arrangements for transfer of the debt instruments;
- 21) the names and addresses of the paying agents, and any registrar and transfer agents of the issuer for the debt instruments;
- 22) the name and address of the board members of the special purposes entity ;
- 23) details of the early redemption of the debt instruments;
- 24) a statement referring to the "Important Notice" and the "Risk Factors" under section (2) and section (9), respectively before making an investment decision; and
- 25) a statement confirming that arrangements have been implemented to protect holders of debt instruments in accordance with Article (68) of the Rules on the Offer of Securities and Continuing Obligations.

5. Summary of basic information

This section must include a summary of the basic information contained in the prospectus, including:

- 1) a disclaimer to investors about consideration of the prospectus as a whole, and not merely the summary;
- 2) a description of the sponsor;
- 3) the sponsor's mission and overall strategy;
- 4) the sponsor's key strengths and competitive advantages;
- 5) an overview of the market in which the sponsor operates; and



- 6) a summary of the special purposes entity's financing transaction and commitment of the sponsor to ensure payment of amounts due under the debt instruments.

6. Summary of financial information

This section must include a summary of key financial information contained in the prospectus, including sponsor's operational performance, financial condition, cash flows and key performance indicators.

7. Table of contents

This section must include a table of contents.

8. Terms and definitions

This section must include the terms and definitions used through the prospectus.

9. Risk factors

This section must include information in relation to risk factors specific to:

- 1) the sponsor;
- 2) the market or industry in which the sponsor operates;
- 3) the special purposes entity; and
- 4) the securities being offered.

10. Market and industry information

This section must include information on market trends and industry information specific to the sponsor's operations.

11. Issuer background, business nature

This section must include the following information:

- 1) the official name, commercial registration number and the address shown in the commercial registration and, if different, the principal address of the special purposes entity;
- 2) the date of incorporation of the special purposes entity;
- 3) the purpose of the special purposes entity;
- 4) the directors of the special purposes entity;
- 5) the date of appointment of all the special purposes entity's directors or proposed directors;
- 6) details of other previous or current board positions held by all directors or proposed directors.
The details should include, the name of the company, legal status, membership dates, and the sector in which the company operates;
- 7) details of any bankruptcies of each of the special purposes entity's director or proposed director;
- 8) details of any company insolvency in the preceding five years where any of the special purposes entity's directors or proposed directors were employed by the insolvent company in a managerial or supervisory capacity; and
- 9) a summary of existing or proposed service contracts, if any, of the directors.



- 10) a statement showing the direct or indirect interests of each director or proposed director, or senior executives of the special purposes entity, and any of their relatives in the shares or debt instruments of the special purposes entity, the sponsor or the sponsor's subsidiaries (if applicable), or provide an appropriate negative statement.

12. Sponsor background, business nature

This section must include the following information:

- 1) the official name, commercial registration number and the address shown in the commercial registration and, if different, the principal address of the sponsor;
- 2) the date of incorporation of the sponsor;
- 3) the authorised shares of the sponsor, the number of shares issued or agreed to be issued, the value paid up, the nominal value and a description of the shares;
- 4) a description and organisation chart of the group showing the sponsor's position within that group (if applicable);
- 5) the general nature of the business of the sponsor and the sponsor's subsidiaries (if applicable) and details of the main products sold or services performed and an indication of any significant new products or activities;
- 6) if the sponsor or the sponsor's subsidiaries (if applicable) trades outside the Kingdom, a statement showing the location of such trading operations must be provided. Where a material portion of the sponsor or the sponsor's subsidiaries assets are outside the Kingdom, the value and location of such assets and the value of the assets located in the Kingdom;
- 7) information concerning the policy of the sponsor and the sponsor's subsidiaries (if applicable) on the research and development of new products and production processes over the past three financial years, where significant;
- 8) particulars of any interruption in the business of the sponsor and the sponsor's subsidiaries (if applicable) which may have or has had a significant effect on the financial position in the last 12 months;
- 9) the number of people employed by the sponsor and the sponsor's subsidiaries (if applicable) and any material changes to that number over the last two financial years, with a breakdown of persons employed by main categories of activity and by Saudisation ratio; and
- 10) a statement that no material change in the nature of the business is contemplated or, if one is contemplated, a detailed description of that change and its impact on the sponsor's business and profitability.

13. Sponsor's organisational structure

This section must include the following information:

- 1) Sponsor's management
 - (a) the sponsor's organisational chart showing the directors structure, supervisory committees, and the functions of senior executives;
 - (b) the full names and description of the professional and academic qualifications and area of expertise and the date of appointment of all the directors or proposed directors (showing whether the director is independent or non-independent and executive or non-executive), in addition to the senior executives and the company secretary of the sponsor;
 - (c) details of other previous or current board positions held by all directors or proposed directors or senior executives and the company secretary of the sponsor. The details should



- include, the name of the company, legal status, membership dates, and the sector in which the company operates;
- (d) details of any bankruptcies of each director or proposed director of the special purposes entity, or senior executives or the company secretary of the sponsor;
 - (e) details of any company insolvency in the preceding five years where any of the directors or proposed directors, senior executives, or the company secretary of the sponsor were employed by the insolvent company in a managerial or supervisory capacity;
 - (f) a statement showing the direct or indirect interests of each director or proposed director, senior executives, company secretary of the sponsor, and any of their relatives in the shares or debt instruments of the issuer, the sponsor or the sponsor's subsidiaries (if applicable), or provide an appropriate negative statement;
 - (g) the aggregate remuneration and benefits in kind granted by the sponsor or any subsidiary during the three financial years prior to listing to the directors and the five senior executives who received the highest payments, including the CEO and CFO if they were not within the top five;
 - (h) a summary of existing or proposed service contracts, if any, of the directors or the CEO and CFO of the sponsor;
 - (i) full particulars of any contract or arrangement in effect or contemplated at the time of submission of the prospectus in which a director or senior executive or any of their relatives is interested in relation to the business of the sponsor or the sponsor's subsidiaries (if applicable), or provide an appropriate negative statement;
 - (j) information about the sponsor's directors committees, including the names of each committee member and a summary of the terms of reference under which the committee operates; and
 - (k) information on the sponsor's compliance with corporate governance.
- 2) Sponsor's employees
- (a) any employee share-schemes in place prior to the application for registration and admission to listing of the securities along with details on the aggregate amount of shares owned by the employees in the sponsor; and
 - (b) any other arrangements involving the employees in the capital of the sponsor.

14. Sponsor financial information

The information required below must be provided in relation to the sponsor and the sponsor's subsidiaries (if applicable) for the three financial years immediately preceding the application for registration and admission to listing:

- 1) comparative tables of financial information with commentary and analysis by management of the sponsor. 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 sponsor's annual financial statements.
- 2) a report by certified external auditor must be prepared in accordance with the requirements of Annex (19) of the Listing Rules in any of the following circumstances:



- (a) where the external auditors have reservations regarding its report on the consolidated financial statements of the sponsor for any of the last three financial years immediately preceding the application for registration and admission to listing;
 - (b) where the sponsor has undergone restructuring in the three financial years immediately preceding the date of application for registration and admission to listing;
 - (c) where any material change has been made to the accounting policies of the sponsor; 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 to in sub-paragraph (a) 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 sponsor'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 sponsor, or where material, any of the sponsor's subsidiaries (if applicable) within the three years immediately preceding the date of application for registration and admission to listing. Such particulars must state the price and terms of any issues by the sponsor; and
 - (h) details of any capital of the sponsor, 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.
- 5) property, plant and equipment:
- (a) a breakdown of any existing material fixed assets, including leased properties;
 - (b) an explanation of the sponsor'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 an individual and 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 sponsor or by third parties) and unsecured loans, or provide an appropriate negative statement;
- (b) a breakdown and classification of all other borrowing or indebtedness, 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 sponsor and its subsidiaries' properties, and special purposes entity's 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 registration and admission to listing 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 prospectus 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 registration and admission to listing in connection with the issue or offer of any securities by the sponsor or any of the sponsor's subsidiaries (if applicable), together with the names of any directors, proposed directors, senior executives, persons offering or placing the securities or experts who received any such payment or benefit or provide an appropriate negative statement.

15. Financing structure and use of proceeds

This section must include the following:

- 1) Information regarding the financial structure including details of:
 - (a) the use of the proceeds of issuance by the special purposes entity;
 - (b) the rights to be acquired by the special purposes entity under the financing structure (including their ranking on the event of insolvency of the sponsor or any other person, where applicable);
 - (c) the nature of the claim of the special purposes entity on the sponsor;
 - (d) any direct rights of recourse of the holders against the sponsor;
 - (e) details of any security interest to be granted in favour of the special purposes entity, including a description of the assets secured and any rights to substitute such assets, or a description of any variation in such security;
- 2) a description of any obligation on the special purposes entity in relation to the transaction, including the order of priority of any payments.
- 3) Information regarding the underlying assets of the asset-linked structure including, where relevant, details of:
 - (a) in respect of the assets to which the debt instruments are linked:



1. the jurisdictions in which the assets will be held and by which they will be governed;
2. in the case of a small number of easily identifiable obligors, a general description of each obligor. In all other cases, a description of: the general characteristics of the obligors; and the economic environment, as well as global statistical data referred to the securitised assets;
3. the legal nature of the assets;
4. the expiry or maturity date(s) of the assets;
5. the amount of the assets;
6. any loan to value ratio or level of collateralisation, where relevant;
7. the method of origination or creation of the assets, and for loans and credit agreements, the principal lending criteria and an indication of any loans which do not meet these criteria and any rights or obligations to make further advances;
8. an indication of significant representations and collateral given to the special purposes entity relating to the assets;
9. any rights to substitute the assets and a description of the manner in which and the type of assets which may be so substituted; if there is any capacity to substitute assets with a different class or quality of assets a statement to that effect together with a description of the impact of such substitution;
10. a description of any relevant insurance policies relating to the assets. Any concentration with one insurer must be disclosed if it is material to the transaction;
11. If a relationship exists that is material to the issue, between the special purposes entity or the sponsor and an obligor, details of the principal terms of that relationship.
12. Where the assets comprise obligations that are not actively traded on an exchange, a description of the principal terms and conditions of the obligations.
13. Where the assets comprise equity securities that are traded on an exchange indicate the following:
 - (a) a description of the securities;
 - (b) a description of the market on which they are traded including its date of establishment, how price information is published, an indication of daily trading volumes, information as to the standing of the market in the country and the name of the market's regulatory authority;
 - (c) the frequency with which prices of the relevant securities, are published.
14. a description of the method and date of the sale, transfer, novation or assignment of the assets or of any rights and/or obligations in the assets to the special purposes entity or, where applicable, the manner and time period in which the proceeds from the issue will be fully invested by the special purposes entity;



15. where relevant, the name, address and significant business activities of the originators of the securitised assets;
 16. the name, address and significant business activities of the administrator, calculation agent or equivalent, together with a summary of the administrator's/calculation agents responsibilities, their relationship with the originator or the creator of the assets and a summary of the provisions relating to the termination of the appointment of the administrator/calculation agent and the appointment of an alternative administrator/calculation agent;
 17. the name and addresses and brief description of:
 - (a) any swap counterparties and any providers of other material forms of credit/liquidity enhancements;
 - (b) the banks with which the main accounts relating to the transaction are held; and
 18. an indication in the prospectus whether or not it intends to provide post-issuance transaction information regarding securities to be admitted to trading and the performance of the underlying collateral. Where the special purposes entity has indicated that it intends to report such information, specify in the prospectus what information will be reported, where such information can be obtained, and the frequency with which such information will be reported.
- (b) In respect of an actively managed pool of assets linked to the issue:
1. equivalent information to that contained in items 15(3/i) to allow an assessment of the type, quality, sufficiency and liquidity of the asset types in the portfolio which will secure the issue;
 2. the parameters within which investments can be made, the name and description of the entity responsible for such management including a description of that entity's expertise and experience, a summary of the provisions relating to the termination of the appointment of such entity and the appointment of an alternative management entity, and a description of that entity's relationship with any other parties to the issue.
- (c) Valuation of the assets to which the debt instruments are to be linked, where known:
1. In respect of marketable securities traded on an exchange or other market approved by the Authority, a valuation at a mid-market basis based on a market price verified by the financial advisor.
 2. In respect of assets not falling within paragraph (1) above, a valuation by a third party valuer of the assets and any cash flow/income streams. In this respect, the third party valuer must:
 - (a) not be the special purposes entity, the sponsor, the financial advisor or an affiliate of any of them; and
 - (b) be appropriately qualified and have relevant expertise in valuing the relevant asset class;
- 4) particulars of any investment powers associated with the special purposes entity's assets.
 - 5) a description of how the cash flows will be used to meet the special purposes entity's obligations including details of:
 - (a) how the cash flow from the assets will meet the issuer's obligations to holders of the securities;



- (b) information on any credit enhancements, an indication of where material potential liquidity shortfalls may occur and the availability of any liquidity supports and indication of provisions designed to cover interest/principal shortfall risks;
 - (c) without prejudice to item (b) above, details of any subordinated debt finance;
 - (d) an indication of any investment parameters for the investment of temporary liquidity surpluses and description of the parties responsible for such investment;
 - (e) how payments are collected in respect of the assets;
 - (f) the order of priority of payments made by the issuer to the holders of the class of securities in question; and
 - (g) details of any other arrangements upon which payments of interest and principal to investors are dependent.
- 6) particulars of how payments will be made by the sponsor.
 - 7) a statement as to how the proceeds of issuance are intended to be used by the sponsor.
 - 8) an estimate of the offer expenses.

16. Statements by experts

Where the prospectus includes a statement made by an expert, a statement should be included specifying the qualifications of the expert and whether such expert or any relative has any shareholding or interest of any kind in the sponsor or any of its subsidiaries. In addition, the statement should confirm that the expert has given and not withdrawn his written consent to the publication in the prospectus of the expert's statement included in the form and context in which it is included.

17. Declarations

The directors of the special purposes entity and the sponsor must make the following declarations:

- 1) other than what has been mentioned on page [●] of this prospectus, there has not been any interruption in the business of the special purposes entity, the sponsor or any of the sponsor's subsidiaries (if applicable), which may have or has had a significant effect on the financial position in the last 12 months.
- 2) other than what has been mentioned on page [●] of this prospectus, there has not been any commissions, discounts, brokerages or other non-cash compensation granted within the three years immediately preceding the application for registration and admission to listing in connection with the issue or offer of any securities by the sponsor or any of the sponsor's subsidiaries (if applicable).
- 3) other than what has been mentioned on page [●] of this prospectus, there has not been any material adverse change in the financial or trading position of the sponsor or its subsidiaries (if applicable) in the three financial years preceding the application for registration and admission to listing 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 prospectus.
- 4) other than what is mentioned on page [●] of this prospectus, the directors of the or their relatives have no shareholdings or interest of any kind in the special purposes entity, the sponsor or any of the sponsor's subsidiaries (if applicable), and nor does any relative of theirs.

18. Legal information

This section must include the following legal information, as relevant:

- 1) a summary of the provisions of the special purposes entity and the sponsor's by-laws and other constitutional documents, including but not limited to:
 - (a) the object clause of the special purposes entity and the sponsor;
 - (b) provisions relating to the special purposes entity and the sponsor's administrative, management and supervisory bodies;



- (c) provisions relating to the rights and restrictions attached to the financing transaction including;
 - 1) any pledges not to apply for new loans which give privileges to new creditors;
 - 2) any control rights granted to of investors by the special purposes entity;
- (d) provisions governing the alteration of securities rights or classes of the special purposes entity, where applicable, and the sponsor;
- (e) provisions governing liquidation and winding up of the special purposes entity, where applicable, and the sponsor;
- (f) any power enabling a director or the CEO, of the issuer, where applicable, or the sponsor, to vote on a contract or proposal in which he has an interest;
- (g) any power enabling a director or the CEO, of the special purposes entity, where applicable, or the sponsor, to vote on remuneration to themselves; and
- (h) any powers allowing the directors or the senior executives, of the special purposes entity, where applicable, or the sponsor, to borrow from the sponsor.
- 2) a summary of all material contracts of the special purposes entity and the sponsor, including summaries of any contract which is material to the financing arrangement.
- 3) a summary of all related party contracts of the special purposes entity and the sponsor.
- 4) in relation to the special purposes entity and the sponsor and its subsidiaries (if applicable):
 - 1. particulars of any intangible assets such as trademarks, patents, copyright or other intellectual property rights which are material in relation to the special purposes entity's, the sponsor's or any of its subsidiaries (if applicable) business or profitability, and a statement regarding the extent to which the special purposes entity, the sponsor or any of its subsidiaries (if applicable) is dependent on such assets.
 - 2. in relation to the special purposes entity, the sponsor and the sponsor's subsidiaries, particulars of any litigation or claim (including any litigation pending or threatened) which may have a material effect on the special purposes entity's, the sponsor's or any of its subsidiaries' business or financial position, or an appropriate negative statement.

19. Underwriter

This section must include information about the underwriter of the offer, as follows:

- 1) the name and address of the underwriter; and
- 2) the principal terms of the underwriting agreement, including the compensation arrangement between the issuer and the underwriter.

20. Expenses

This section must include details of the aggregate offer expenses.

21. Waivers

This section must include details on all requirements that have been waived for the special purposes entity and the sponsor by the Authority.

22. Information concerning the debt instruments and terms and conditions of the offer

This section must include the following information:

- 1) a statement that application has been made to the Authority for the registration and admission to listing;



- 2) the nominal value of the offer;
- 3) full information on the rights conferred upon holders of debt instruments;
- 4) particulars of the debt instruments;
- 5) subscription method;
- 6) details of the early redemption of the offer;
- 7) the names and addresses of the paying agents, and any registrar and transfer agents for the debt instruments;
- 8) details of the arrangements for transfer of the debt instruments;
- 9) details of repayment related dates including the final maturity date and early repayment dates, specifying whether exercisable at the sponsor's or the holder of debt instruments' request and the date from which payments are due;
- 10) procedures and time limits for allocation and delivery of the debt instruments and, where there will be temporary documents of title, the procedures for the delivery and exchange thereof;
- 11) a description of the resolutions, and approvals by virtue of which the debt instruments will be offered;
- 12) whether there are any guarantees, pledges or commitments intended to be provided to guarantee the offer;
- 13) details of any agreements with the representative of the holders of the debt instruments, if any, the name and function and head office of such representative, the conditions under which the representative may be replaced together with an indication of where the public may inspect copies of the documents detailing the obligations of the representative;
- 14) a description of any subordination of the offer to any other debts or debt instruments of the special purposes entity and/or the sponsor;
- 15) a description of the applicable law related to the offer;
- 16) details of any restrictions on the transferability of the debt instruments;
- 17) the date upon which it is expected that trading in the debt instruments will commence, if the sponsor can anticipate such date; and
- 18) if a public or private offer has been or is being made simultaneously on the markets of two or more countries at the same time, and if a tranche has been or is being reserved for certain of these markets, details of any such offer or tranche must be provided.

23. Subscription declarations

This section must include information on the subscription declarations, allocation process, and the Exchange details.

24. Documents available for inspection

This section must include information in relation to the place in the Kingdom at which the following documents may be inspected and the period of time during which the inspection may take place (being not less than 3 days before the end of the offer period):

- 1) the by-laws and other constitutional documents of the special purposes entity and the sponsor;
- 2) any document or order granting permission to offer securities to the public;
- 3) each contract disclosed pursuant to sub-paragraph (i) of paragraph (1) of section (13) of this Annex or, if the contract is not produced in writing, a memorandum giving full particulars of the agreement;
- 4) all other reports, letters, documents, value estimates or statements by any expert any part of which is extracted or referred to in the prospectus; and
- 5) the audited financial statements of the sponsor for each of the three financial years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements.

25. External auditor's report



The special purposes entity's audited financial statements for the three years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements, must be enclosed.

26. Guarantees

Where a guarantee, pledge or other similar commitment is to be provided the following information must be included:

- 1) details regarding the terms, conditions and scope of the guarantee, pledge or other similar commitment including any conditionality on the application of the guarantee, pledge or similar commitment; and
- 2) copies of the external auditors' and the directors' report on the accounts of the guarantor company.



ANNEX 15

CONTENT OF A PROSPECTUS FOR DEBT INSTRUMENTS FOR AN ISSUER THAT HAS SHARES CURRENTLY LISTED ON THE EXCHANGE

A prospectus submitted for the registration and offering of debt instruments from an issuer which has shares currently listed on the Exchange at the time of submission must contain the information under the following sections at a minimum:

1. Cover page

This section must include the following information (where applicable):

1. the issuer's formation, incorporation and commercial registration information;
2. capital and number of shares;
3. a summary of the offer including debt instruments details and rights;
4. target participants;
5. offer period and conditions;
6. shares and debt instruments that have been listed prior to the particular offer by the issuer (if applicable);
7. a statement that the issuer has submitted the application for registration and offer of securities subject to the prospectus to the Authority, has submitted the application for listing to the Exchange and has submitted all the required documents to the relevant authorities;
8. a statement referring to the "Important Notice" and the "Risk Factors" under section (2) and section (8) of this Annex, respectively before making an investment decision; and
9. the following declaration:

"This prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange Company. The directors, whose names appear in this prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus 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 Saudi Stock Exchange Company do not take any responsibility for the contents of this prospectus, 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 prospectus."

2. Important notice

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

3. Corporate directory

This section must contain the following:



1. the issuer's and its representatives' contact information, including addresses, telephone numbers, e-mail addresses, and the issuer's website.
2. the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the prospectus has been attributed:
 - a) the financial advisor;
 - b) the legal advisor;
 - c) the external auditor;
 - d) the underwriter (if any); and
 - e) the Capital Market Institutions authorised to place or sell the securities.

4. Offer summary

This section must contain a disclaimer to the target investors on the importance of reading the prospectus prior to making an investment decision and include the following information (where applicable):

1. the issuer's name, description and incorporation information;
2. the issuer's activities;
3. substantial shareholders showing their ownership percentages and number of shares;
4. the capital of the issuer;
5. the issuer's total number of shares;
6. the nominal value for offered debt instrument;
7. the use of proceeds;
8. types of targeted investors;
9. subscription method for each type of targeted investors;
10. the minimum number of offer debt instruments to be subscribed for by each type of targeted investors;
11. the minimum value of offer of debt instruments to be subscribed for by each type of targeted investors;
12. the maximum number of offer debt instruments to be subscribed for by each type of targeted investors;
13. the maximum value of offer debt instruments to be subscribed for by each type of targeted investors;
14. allocation method and description of the process where an excess of subscription monies has been received for all types of targeted investors;



15. the offer period;
16. full information of rights granted to holders of the debt instruments;
17. debt instruments particulars;
18. details of repayment related dates including final maturity date and early repayment dates, specifying whether exercisable at the issuer's or the holder of debt instruments' request and the date from which payments are due to start;
19. restrictions on debt instruments;
20. details of the arrangements for transfer of the debt instruments;
21. the names and addresses of the paying agents, and any registrar and transfer agents for the debt instruments;
22. details of the early redemption of the debt instruments; and
23. a statement referring the reader to the "Important Notice" and the "Risk Factors" under section (2) and section (8) of this Annex, respectively before making an investment decision.

5. Summary of financial information

This section must contain at least summary of key financial information contained in the prospectus, including the issuer's operational operation, financial condition cash flow and key performance indicators.

6. Table of contents

This section must include a table of contents.

7. Terms and definitions

This section must include the terms and definitions used through the prospectus.

8. Risk factors

This section must contain information in relation to risk factors specific to:

1. the issuer;
2. the market or industry in which the issuer operates; and
3. the securities being offered.

9. Financial information

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 registration and offer of securities that are subject to this prospectus as well as the period covered in the interim financial statements as per paragraph (4) of Article (41) of the Rules on the Offer of Securities and Continuing Obligations.

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 (19) of the Rules on the Offer of Securities and Continuing Obligations in any of the following circumstances:
- a. where the external auditor has reservations on the report of the audited financial statements of the issuer for any of the last three financial years immediately preceding the application for registration and offer of securities that are subject to this prospectus;
 - b. where the issuer has undergone restructuring in the three financial years immediately preceding the date of the application for registration and offer of securities that are subject to this prospectus;
 - 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 to in subparagraph (a) 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. 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.
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 an individual and 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, 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 registration and offer of securities that are subject to this prospectus 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 prospectus 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 registration and offer of securities that are subject to this prospectus in connection with the issue or offer of any securities by the issuer or any of the issuer's subsidiaries (if applicable), together with the names of any directors, proposed directors, senior executives, persons offering or placing the securities or experts who received any such payment or benefit or provide an appropriate negative statement.

10. Use of proceeds

This section must include a statement as to how such proceeds are intended to be used.

11. Statements by experts

Where the prospectus includes a statement made by an expert, a statement should be included specifying the qualifications of the expert and whether such expert or any relative has any shareholding or interest of any kind in the issuer or any of its subsidiaries. In addition, the statement should confirm that the expert has given and not withdrawn his written consent to the publication in the prospectus of the expert's statement included in the form and context in which it is included.

12. Declarations

The directors of the issuer must make the following declarations:

1. other than what has been mentioned on page [●] of this prospectus, no commissions, discounts, brokerages or other non-cash compensation have been granted within the three years immediately preceding the application for registration and offer that are the subject of this



prospectus in connection with the issue or offer of any securities by the issuer or any of the issuer's subsidiaries (if applicable).

2. other than what has been mentioned on page [●] of this prospectus, there has not been any material adverse change in the financial or trading position of the issuer or its subsidiaries (if applicable) in the three financial years preceding the application for registration and offer of securities that are subject to this prospectus 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 prospectus.
3. other than what is mentioned on page [●] of this prospectus, they 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.

13. Legal Information

This section must include the following declarations from the board of directors that:

1. the issuance does not constitute a breach of the relevant laws and regulations in Saudi Arabia.
2. the issuance does not constitute a breach of any contract/agreement entered into by the issuer.
3. all material legal issues concerning the issuer have been disclosed in the prospectus.
4. details of any bankruptcies of each director or proposed director, senior executives, or the company secretary of the issuer;
5. details of any company insolvency in the preceding five years where any of the directors or proposed directors, senior executives, or the company secretary of the issuer were employed by the insolvent company in a managerial or supervisory capacity;

14. Underwriter

This section must include information about the underwriter of the offer, as follows:

1. the name and address of the underwriter; and
2. the principal terms of the underwriting agreement, including the compensation arrangement between the issuer and the underwriter.

15. Expenses

This section must include details of the aggregate offer expenses.

16. Waivers

This section must include details on all requirements that have been waived for the issuer by the authority.

17. Information concerning the debt instruments and terms and conditions of the offer

This section must include the following information:

1. a statement that application has been made to the Authority for the application for registration and offer of securities that are subject to this prospectus and to the Exchange for the listing;



2. the nominal value of the offer;
3. full information on the rights conferred upon holders of debt instruments;
4. particulars of the debt instruments;
5. subscription method;
6. details of the early redemption of the offer;
7. the names and addresses of the paying agents, and any registrar and transfer agents for the debt instruments;
8. details of the arrangements for transfer of the debt instruments;
9. details of repayment related dates including the final maturity date and early repayment dates, specifying whether exercisable at the issuer's or the holder of debt instruments' request and the date from which payments are due;
10. procedures and time limits for allocation and delivery of the debt instruments and, where there will be temporary documents of title, the procedures for the delivery and exchange thereof;
11. a description of the resolutions, and approvals by virtue of which the debt instruments will be offered;
12. whether there are any guarantees, pledges or commitments intended to be provided to guarantee the offer;
13. details of any agreements with the representative of the holders of the debt instruments, if any, the name and function and head office of such representative, the conditions under which the representative may be replaced together with an indication of where the public may inspect copies of the documents detailing the obligations of the representative;
14. a description of any subordination of the offer to any other debts or debt instruments of the issuer;
15. a description of the applicable law related to the offer;
16. details of any restrictions on the transferability of the debt instruments;
17. the date upon which it is expected that trading in the debt instruments will commence, if the issuer can anticipate such date; and
18. if a public or private offer has been or is being made simultaneously on the markets of two or more countries at the same time, and if a tranche has been or is being reserved for certain of these markets, details of any such offer or tranche must be provided.

18. Subscription declarations

This section must include information on the subscription declarations, allocation process, and the Exchange's details.



19. Documents available for inspection

This section must include information in relation to the place in the Kingdom at which the following documents may be inspected and the period of time during which the inspection may take place (being not less than three days before the start of the offer):

1. the bylaws and other constitutional documents of the issuer;
2. any document or order granting permission to offer securities to the public;
3. any contract or arrangement, in effect or contemplated, in which a director or senior executive or any of their relatives has an interest and that is related to the business of the issuer or any of the issuer's subsidiaries (if applicable). If such a contract is not produced in writing, a memorandum giving full particulars of the agreement;
4. all other reports, letters, documents, value estimates or statements by any expert any part of which is extracted or referred to in the prospectus; and
5. the audited financial statements of the issuer for each of the three financial years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements.

20. External auditor's report

The issuer's audited financial statements for the three years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements, must be enclosed.

21. Guarantees

Where a guarantee, pledge or other similar commitment is to be provided the following information must be included:

1. details regarding the terms, conditions and scope of the guarantee, pledge or other similar commitment including any conditionality on the application of the guarantee, pledge or similar commitment; and
2. copies of the external auditors' and the directors' report on the accounts of the guarantor company.

22. Bylaws

The issuer's bylaws must be enclosed.



ANNEX 16

CONTENTS OF A PROSPECTUS FOR CONVERTIBLE DEBT INSTRUMENTS OR EXCHANGEABLE DEBT INSTRUMENTS

A prospectus submitted for the registration and offering of convertible debt instruments or exchangeable debt instruments must contain the information under the following sections at a minimum:

1. Cover page

This section must include the following information (where applicable):

- 1) the issuer's name, incorporation date and commercial registration number;
- 2) capital and number of shares (as applicable);
- 3) a summary of the offer including convertible debt instruments or exchangeable debt instruments details and rights;
- 4) target participants;
- 5) offer period and conditions;
- 6) shares and debt instruments or convertible debt instruments or exchangeable debt instruments that have been listed prior to the particular offer by the issuer (if applicable);
- 7) a statement that the issuer has submitted the application for registration and offer of securities subject to this prospectus to the Authority, has submitted the application for listing to the Exchange and has submitted all the required documents to the relevant authorities;
- 8) a statement referring to the "Important Notice" and the "Risk Factors" under section (2) and section (10) of this Annex, respectively before making an investment decision; and
- 9) the following declaration:

"This prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange Company. The directors, whose names appear in this prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus 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 Saudi Stock Exchange Company do not take any responsibility for the contents of this prospectus, 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 prospectus."

2. Important notice

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

3. Corporate directory



This section must contain the following:

1. the issuer's and its representatives' contact information, including addresses, telephone numbers, e-mail addresses, and the issuer's website.
2. the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the prospectus has been attributed:
 - a. the financial advisor;
 - b. the legal advisor;
 - c. the external auditor;
 - d. the underwriter (if any); and
 - e. the Capital Market Institutions authorised to place or sell the securities.

4. Offer summary

This section must contain a disclaimer to the target investors on the importance of reading the prospectus prior to making an investment decision and include the following information (where applicable):

1. the issuer's name, description and incorporation information;
2. the issuer's activities;
3. substantial shareholders showing their ownership percentages and number of shares;
4. the capital of the issuer;
5. the issuer's total number of shares (as applicable).
6. the nominal value for offered convertible debt instrument or exchangeable debt instrument;
7. the total number of offered convertible debt instruments or exchangeable debt instruments;
8. The percentage of offered the convertible debt instruments to the capital of the issuer;
9. the use of proceeds;
10. types of targeted investors;
11. subscription method for each type of targeted investors;
12. the minimum number of convertible debt instruments or exchangeable debt instruments to be subscribed for by each type of targeted investors;
13. the minimum value of convertible debt instruments or exchangeable debt instruments to be subscribed for by each type of targeted investors;
14. the maximum number of convertible debt instruments or exchangeable debt instruments to be subscribed for by each type of targeted investors;



15. the maximum value of convertible debt instruments or exchangeable debt instruments to be subscribed for by each type of targeted investors;
16. allocation method and description of the process where an excess of subscription monies has been received for all types of targeted investors;
17. the offer period;
18. full information of rights granted to holders of the convertible debt instrument or the exchangeable debt instrument;
19. details of convertible debt instruments or exchangeable debt instruments which includes:
 - a. Conversion or exchange price.
 - b. Conversion or exchange rate.
20. details of repayment related dates including final maturity date and early repayment dates, specifying whether exercisable at the request of the issuer or at the request of the holder of the convertible debt instrument or exchangeable debt instrument, and the date from which payments are due to start;
21. restrictions on convertible debt instruments or exchangeable debt instruments;
22. details of the arrangements for transfer of the convertible debt instruments or exchangeable debt instruments;
23. the names and addresses of the paying agents, and any registrar and transfer agents for the convertible debt instruments or exchangeable debt instruments;
24. details of the early redemption of the convertible debt instrument or exchangeable debt instruments;
25. a statement referring to the “Important Notice” and the “Risk Factors” under section (2) and section (10) of this Annex, respectively before making an investment decision;
26. any information required under Annex 9 of the Rules on the Offer of Securities and Continuing Obligations that has materially changed since approval of the most recent prospectus; and
27. any additional information required by the Authority to be provided in the prospectus as it deems appropriate.

5. Key dates and subscription procedure

This section must include the following:

1. a timetable showing the expected dates of the offering; and
2. a description of the subscription procedure.

6. Summary of basic information



This section must include a summary of the basic information contained in the prospectus, including:

1. the issuer's mission and overall strategy;
2. the issuer's key strengths and competitive advantages; and
3. an overview of the market.

7. Summary of financial information

This section must contain a summary of key financial information contained in the prospectus, including the issuer's operational performance, financial condition, cash flows, and key indicators.

8. Table of contents

This section must include the prospectus table of contents.

9. Terms and definitions

This section must include the terms and definitions used through the prospectus.

10. Risk factors

This section must contain information in relation to risk factors specific to:

1. the issuer;
2. the market or industry in which the issuer operates; and
3. the securities being offered.

11. Employees (as applicable)

1. any employee share schemes in place prior to the application for registration and offer of securities that are subject to this prospectus along with details on the aggregate amount of shares owned by the employees in the issuer; and
2. any other arrangements involving the employees in the capital of the issuer.

12. Financial information

The information required below must be provided in relation to the issuer for the three financial years immediately preceding the application for registration and offer of securities that are the subject of this prospectus as well as the period covered in the interim financial statements as per paragraph (4) of Article 41 of the Rules on the Offer of Securities and Continuing Obligations:

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 19 of the Rules on the Offer of Securities and Continuing Obligations in any of the following circumstances:
 - a. where the external auditor has reservations on the report of the audited financial statements of the issuer for any of the last three financial years immediately preceding the application for registration and offer of securities that are the subject of this prospectus;



- b. where the issuer has undergone restructuring in the three financial years immediately preceding the date of the application for registration and offer of securities that are subject to this prospectus;
- 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 to in subparagraph (1) 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 capital of the issuer or any subsidiary (if any) which is under option, including the consideration for which the option was or will be granted, and the price and duration of the option, and the name and address of the grantee, or provide an appropriate negative statement.
 - h. 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 registration and offer of securities that are the subject of this prospectus. Such particulars must state the price and terms of any issues by the issuer or its subsidiaries (if any);

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 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, convertible debt instrument and exchangeable debt instrument 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 (if any), 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 registration and offer of securities that are subject to this prospectus 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 prospectus, 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 registration and offer of securities that are subject to this prospectus in connection with the issue or offer of any securities by the issuer or any of the issuer's subsidiaries (if applicable), together with the names of any directors, proposed directors, senior executives, persons offering or placing the securities or experts who received any such payment or benefit, or provide an appropriate negative statement.

13. Statements by experts

Where the prospectus includes a statement made by an expert, a statement must be included specifying the qualifications of the expert and whether such expert or any relative has any shareholding or interest of any kind in the issuer or any of its subsidiaries (if any). In addition, the statement should confirm that the expert has given and not withdrawn his written consent to the publication in the prospectus of the expert's statement included in the form and context in which it is included.

14. Declarations

The directors of the issuer must make the following declarations:

1. Other than what has been mentioned on page [●] of this prospectus, 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.
2. Other than what has been mentioned on page [●] of this prospectus, no commissions, discounts, brokerages fees or other non-cash compensations have been granted within the three years immediately preceding the application for registration and offer of securities that are the subject of this prospectus in connection with the issue or offer of any securities by the issuer or any of its subsidiaries (if applicable).
3. Other than what has been mentioned on page [●] of this prospectus, there has not been any material adverse change in the financial or trading position of the issuer or its subsidiaries (if applicable) in the three years preceding the application for registration and offer of securities that are the subject of this prospectus and during the period covered in the external auditors' report and up to and including the date of approval of the prospectus.
4. Other than what is mentioned on page [●] of this prospectus, they 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.

15. Legal Information



This section must include the following declarations from the board of directors that:

1. The issuance does not constitute a breach of the relevant laws and regulations in Saudi Arabia.
2. The issuance does not constitute a breach of any contract/agreement entered into by the issuer.
3. all material legal issues concerning the issuer have been disclosed in the prospectus.
4. Details of any bankruptcies of each director or proposed director, senior executives, or the company secretary of the issuer.
5. Details of any company insolvency in the preceding five years where any of the directors or proposed directors, senior executives, or the company secretary of the issuer were employed by the insolvent company in a managerial or supervisory capacity.
6. 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; and
7. other than what has been mentioned on page [●] of this document, the directors of the issuer 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.
8. In relation to the issuer and its subsidiaries (if applicable), the following must be included:
 - a. particulars of any intangible assets such as trademarks, patents, copyright or other intellectual property rights which are material in relation to the issuer's or any of its subsidiaries' (if applicable) business or profitability, and a statement regarding the extent to which the issuer or any of its subsidiaries (if applicable) is dependent on such assets; and
 - b. particulars of any litigation, claim (including any litigation pending or threatened) or ongoing investigation which may have a material effect on the issuer's or any of its subsidiaries' business or financial position, or an appropriate negative statement.

16. Underwriter

This section must include information about the underwriter of the offer, as follows:

1. the name and address of the underwriter; and
2. the principal terms of the underwriting agreement, including the compensation arrangement between the issuer and the underwriter.

17. Expenses

This section must include details of the aggregate offer expenses.

18. Waivers

This section must include details on all requirements that have been waived for the issuer by the authority.

19. Information concerning the convertible debt instruments or the exchangeable debt instruments and terms and conditions of the offer

This section must include the following information:

- 1) a statement that an application has been made to the Authority for the registration and offer of the securities that are the subject of this prospectus and to the Exchange for the listing thereof;



- 2) full information on the rights conferred upon holders of convertible debt instruments or the exchangeable debt instruments;
- 3) details of the arrangements for transfer of the convertible debt instruments or the exchangeable debt instruments;
- 4) procedures and time limits for allocation and delivery of the convertible debt instruments or the exchangeable debt instruments and, where there will be temporary documents of title, the procedures for the delivery and exchange thereof;
- 5) a description of the resolutions, and approvals by virtue of which the convertible debt instruments or the exchangeable debt instruments will be issued and offered;
- 6) the guarantees, pledges or commitments intended to be provided to guarantee the offer;
- 7) details of any agreements with the representative of the holders of the convertible debt instruments or the exchangeable debt instruments, if any, the name and function and head office of such representative, the conditions under which the representative may be replaced together with an indication of where the public may inspect copies of the documents detailing the obligations of the representative;
- 8) a description of any subordination of the offer to any other debts or debt instruments of the issuer;
- 9) a description of the applicable laws related to the offer;
- 10) the date upon which it is expected that trading in the debt instruments will commence, if the issuer can anticipate such date;
- 11) the times and circumstances where the offer may be suspended;
- 12) a description of the resolutions, and approvals by virtue of which the convertible debt instruments or the exchangeable debt instruments will be offered;
- 13) details of any lock-up arrangement in place restricting the disposal of particular shares; and
- 14) number of new shares expected to be issued upon conversion of the entire issuance.

20. Price dilution

This section must include information on the expected share price dilution effects, its percentage after conversion, and its impact on the shareholders.

21. Subscription Declarations

This section must include information on the subscription declarations, allocation process, and the Exchange's details.

22. Documents available for inspection

This section must include information in relation to the place in the Kingdom at which the following documents may be inspected and the period of time during which the inspection may take place (being not less than 3 days before the start of the offer):]

- 1) the bylaws and other constitutional documents of the issuer;
- 2) any document or order granting permission to offer securities to the public;
- 3) any contract or arrangement, in effect or contemplated, in which a director or senior executive or any of their relatives has an interest and that is related to the business of the issuer or any of the issuer's subsidiaries (if applicable). If such a contract is not produced in writing, a memorandum giving full particulars of the agreement;
- 4) all other reports, letters, documents, value estimates or statements by any expert any part of which is extracted or referred to in the prospectus; and



- 5) the audited financial statements of the issuer for each of the three financial years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements.

23. External auditor's report

The issuer's audited financial statements for the three financial years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements, must be enclosed.

24. Guarantees

Where a guarantee, pledge or other similar commitment is to be provided the following information must be included:

- 1) details regarding the terms, conditions and scope of the guarantee, pledge or other similar commitment including any conditionality on the application of the guarantee, pledge or similar commitment; and
- 2) copies of the external auditors' and the directors' report on the accounts of the guarantor company.

25. Bylaws

The issuer's bylaws must be enclosed.



ANNEX 17

CONTENT OF A SHAREHOLDERS' CIRCULAR FOR A CAPITAL INCREASE BY DEBT CONVERSION

A shareholders' circular for the registration and offering of capital increase shares by debt conversion shall contain the following information:

1. Cover page

This section must include the following information (where applicable):

- 1) a summary of the offer including share class and rights;
- 2) purpose of the capital increase and the identity of the creditor;
- 3) a brief description of the debt conversion;
- 4) the issuer's current capital and number of shares previously listed;
- 5) whether the debt conversion is deemed to be a related party transaction;
- 6) the names and shareholdings of related parties (if any);
- 7) the creditor's pre and post capital ownership in the issuer;
- 8) the total value of the debt that is subject to the transaction, and the value and number of shares to be issued;
- 9) a statement that the issuer has submitted the application for registration and offer of the securities and the application for listing to the Exchange and that all requirements have been met;
- 10) a statement referring to the "Important Notice" and the "Risk Factors" under section (2) and section (8) of this Annex, respectively before voting on the capital increase; and
- 11) the following declarations:

"This circular includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange Company. The directors, whose names appear in this circular, collectively and individually accept full responsibility for the accuracy of the information contained in this circular 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 Saudi Stock Exchange Company do not take any responsibility for the contents of this circular, 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 circular. If understanding the contents of such circular is difficult, an authorised financial advisor must be appointed"; and

- 12) a statement from the directors of the issuer confirming that having done the due diligence they deemed sufficient in the circumstances, the debt conversion is in the best interests of the issuer and the shareholders.



2. Important notice

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

3. Corporate directory

This section must include the following:

- 1) the issuer's and its representatives' contact information, including addresses, telephone numbers, e-mail addresses, and the issuer's website.
- 2) the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the circular has been attributed:
 - a. the financial advisor of the issuer;
 - b. the legal advisor of the issuer; and
 - c. the external auditor of the issuer.

4. Summary

This section must contain the following information (where applicable):

- 1) the issuer's name, description and incorporation information;
- 2) the issuer's activities;
- 3) substantial shareholders and their current ownership percentages;
- 4) the public, substantial shareholders of the issuer and the creditor showing their ownership percentages and number of shares pre- and post-capital increase
- 5) the capital of the issuer;
- 6) issuer's total number of shares;
- 7) the nominal value per shares;
- 8) the total number of new shares;
- 9) the percentage of the new shares to the capital of the issuer;
- 10) the issue price;
- 11) the total value of the issue;
- 12) description of the debt conversion including the identity of the creditor and key details in relation thereto;
- 13) structure of the debt conversion;
- 14) rationale behind the debt conversion;



- 15) statement on whether the debt conversion constitutes a related party transaction and if so the identity, and ownerships of such parties;
- 16) a summary of the key steps required until the completion of the capital increase and the listing of new shares;
- 17) the rights to dividends of the new shares;
- 18) consents and approvals required to complete the capital increase;
- 19) voting rights of the new shares;
- 20) restrictions on new shares;
- 21) a statement that the proposed capital increase is subject to the shareholders' approval at the extraordinary general assembly; and
- 22) a statement to the issuer's current shareholders about the consideration of the circular as a whole and not merely the summary in an identifiable font).

5. Key dates and debt conversion milestones

This section must include a timetable showing the detailed timeline of the debt conversion.

6. Table of contents

This section must include the circular table of contents.

7. Terms and definitions

This section must include the terms and definitions used through the circular.

8. Risk factors

This section must include information in relation to all risk factors relating to the debt conversion including but not limited to:

- 1) commercial risks, legal risks, and risks relating to the issuance of the new shares;
- 2) the dilution of current shareholders' ownership, and the associated reduction in voting power; and
- 3) any risk related to the potential control by the creditor (if post capital increase will result in owning 30% or more by such parties).

9. The Debt Conversion

This section must include all information relating to the debt conversion including:

- 1) the rationale behind the debt conversion and its implications on the issuer;
- 2) any envisaged changes in the issuer's board of directors or the executive management as a result of the debt conversion;
- 3) the issuer's ownership structure pre and post the capital increase;



- 4) the valuation of debt that is subject to the transaction and the resulting share valuation and number of shares to be issued, the agreed debt conversion valuation terms including agreed debt valuation, and the resulting share valuation and number of shares to be issued;
- 5) details of any related parties who have direct or indirect interest in the transaction if the debt conversion is considered as a related party transaction;
- 6) the proposed timing of the debt conversion and its key steps;
- 7) pre and post capital increase ownership structure;
- 8) the pro-forma financial statements reflecting the financial position of the issuer following the debt conversion;
- 9) a comparison of the issuer's performance indicators as per the pro-forma vs. the issuer's audited financials;
- 10) earnings per share accretion/dilution analysis; and
- 11) the issuer's share price performance, covering at least one year prior to the date of the application for registration and offer of securities.

10. Financial information

This section must include at least the pro-forma financial statements of the issuer post-capital increase and covering pro-forma balance sheet, income statement and statement of cash flows.

11. Legal Information

This section must include all legal information relating to the debt conversion including but not limited to the following information:

- 1) board and senior executive declarations as to the following:
 - a. the debt conversion does not constitute a breach of the relevant laws and regulations in Saudi Arabia.
 - b. the issuance does not constitute a breach of any contract/agreement entered into by the issuer.
 - c. all material legal issues concerning the issuer have been disclosed in the circular.
 - d. this section includes all the material legal information about the debt conversion's documents, which the issuer's shareholders should take into consideration to make a well informed voting decision; and
 - e. that there is no other material legal information within this section the omission of which would make any statement herein misleading.
- 2) details on the debt conversion documents and agreements;
- 3) governmental approvals and third party consents required to complete the transaction;
- 4) particulars of any litigation or claim (including any litigation pending or threatened) or any ongoing investigations which may have a material effect on the issuer or any of its subsidiaries business or financial position, or an appropriate negative statement;



- 5) details of any bankruptcies of each director or proposed director, senior executives, or the company secretary of the issuer (or a negative statement thereto);
- 6) details of any company insolvency in the preceding five years where any of the directors or proposed directors, senior executives, or the company secretary of the issuer were employed by the insolvent company in a managerial or supervisory capacity.
- 7) (where the debt conversion is a related party transaction) that the independent members of the board of the issuer, other than the related parties, acknowledge that they do not have any direct or indirect interest in any of the issuer's shares or in any of the shares or businesses (as applicable) of the creditor, or in any contracts, signed or to be signed, between the parties of the transaction, and that they confirm their full independency in respect of the shares issuance subject of this circular.

12. Statements by experts

Where the circular includes a statement made by an expert, a statement should be included specifying the qualifications of the expert and whether such expert or any relative has any shareholding or interest of any kind in the issuer or any of its subsidiaries. In addition, the statement should confirm that the expert has given and not withdrawn his written consent to the publication in the circular of the expert's statement included in the form and context in which it is included.

13. Expenses

This section must include details of the aggregate debt conversion expenses.

14. Waivers

This section must include details on all requirements that have been waived for the issuer by the Authority.

15. Documents available for inspection

This section must include information in relation to the place in the Kingdom at which the following documents may be inspected and the period of time during which the inspection may take place (being not less than 14 days before the date of convening the extraordinary general assembly):

- 1) the transaction documents and agreements;
- 2) the examined issuer's pro-forma financials;
- 3) the valuation report;
- 4) the advisors' consent letters to the use their names, logos and statements in the circular;
- 5) a statement of the origin and amount of the debt subject of the transaction which is signed and certified by the board of directors and the auditors of the issuer; and
- 6) any other documents/information requested by the Authority.

16. Annexes

This section should include the following annexes to the circular:

- 1) the issuer's annual audited financials for the past three years; and

- 2) the reviewed pro-forma financial statement reflecting the financial position of the issuer following the debt conversion.



ANNEX 18

CONTENTS OF A CIRCULAR FOR A CAPITAL INCREASE TO ACQUIRE A COMPANY OR PURCHASE AN ASSET

The shareholders' circular for the registration and offering of capital increase to acquire a company or purchase an asset shall contain the following information as minimum:

1. Cover page

This section must include the following information (where applicable):

1. a summary of the offer including share class and rights;
2. purpose of the capital increase and the identity of the target company/assets;
3. whether the transaction is deemed to be a related party transaction;
4. the names and shareholdings of related parties (if any);
5. a brief description of the acquisition transaction or purchase;
6. details of ownership of the public, the substantial shareholders and the owners of the target company/asset.
7. total value of the transaction with the details of consideration provided to the owners of the target company/asset.
8. the current capital of the issuer and the number of shares that have been listed prior to the particular offer by the issuer;
9. a statement that the issuer has submitted the application for registration and offer of securities to the Authority and the application for listing to the Exchange and that all requirements have been met;
10. a statement referring to the "Important Notice" and the "Risk Factors" under section (2) and section (8) of this Annex, respectively before voting to the resolution of capital increase;
11. the following declarations:

"This circular includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange Company. The directors, whose names appear in this circular, collectively and individually accept full responsibility for the accuracy of the information contained in this circular 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 Saudi Stock Exchange Company do not take any responsibility for the contents of this circular, 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 circular"; and



12. a statement from the directors of the issuer confirming that having done the due diligence they deemed sufficient in the circumstances, the acquisition or purchase is in the best interests of the issuer and the shareholders.

2. Important notice

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

3. Corporate directory

This section must include the following:

1. the issuer's and its representatives' contact information, including addresses, telephone numbers, e-mail addresses, and the issuer's website.
2. the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the circular has been attributed:
 - a. the issuer's financial advisor;
 - b. the issuer's legal advisor; and
 - c. the issuer's external auditor.

4. Summary

This section must contain the following information (where applicable):

1. the issuer's name, description and incorporation information;
2. the issuer's activities;
3. substantial shareholders showing their ownership percentages and number of shares pre- and post-capital increase;
4. the capital of the issuer;
5. issuer's total number of shares;
6. the nominal value per shares;
7. the total number of new shares;
8. the percentage of the new shares to the capital of the issuer;
9. the issue price;
10. the total value of the issue;
11. description of the acquisition or purchase including the identity of the target company/asset and key details in relation thereto;
12. description of the target company/asset and incorporation information of the target company;



13. activities of the target company/asset;
14. substantial shareholders of the target (or the owners of the asset as applicable) showing their ownership percentages and number of shares (or stakes as the case may be) pre- and post-offering;
15. collective and individual ownership of the selling shareholders/ owners of the target company/asset in the issuer should the acquisition or purchase take place
16. the capital of the target;
17. target's total number of share (or stakes as the case may be);
18. statement on whether the acquisition or purchase constitutes a related party acquisition or purchase and if so the identity, and ownerships of such parties;
19. names of the selling shareholders of the target company to be acquired and the stakes/shares sought (collectively and from each selling shareholder);
20. the total value of the consideration and a break down (where applicable);
21. structure of the acquisition or purchase;
22. pre and post capital increase ownership structure in the issuer;
23. pre and post capital increase ownership structure in the target company or asset (as applicable);
24. ownership dilution effects;
25. earnings per share accretion/dilution;
26. rationale behind the acquisition or purchase;
27. a summary of the key steps required until the completion of the capital increase and the listing of new shares;
28. the rights to dividends of the new shares;
29. consents and approvals required to complete the capital increase;
30. voting rights of the new shares;
31. restrictions on new shares; and
32. a statement that the proposed capital increase is subject to the shareholders' approval at the extraordinary general assembly; and
33. include a disclaimer in identifiable font to the shareholders on the importance of reading the entire circular (and not just the summary) prior to voting at the extra ordinary general assembly on the capital increase.

5. Key dates and acquisition or purchase milestones

This section must include a timetable showing the detailed timeline of the acquisition or purchase.



6. Table of contents

This section must include the circular table of contents.

7. Terms and definitions

This section must include the terms and definitions used through the circular.

8. Risk factors

This section must include information in relation to all risk factors relating to the acquisition or purchase including but not limited to:

- 1) commercial risks, legal risks, and risks relating to the transaction and the issuance of the new shares;
- 2) the dilution of current shareholders' ownership, and the associated reduction in voting power.
- 3) any risk related to the potential control by selling shareholders (if post capital increase will result in owning 30% or more by such parties).

9. Market details of the relevant industry and trends of the target company/asset to be acquired

10. The Acquisition or Purchase

This section must include all information relating to the acquisition or purchase including:

- 1) a detailed break-down of the acquisition's or purchase's consideration, indicating the amount designated to each selling shareholder of the target company to be acquired or the asset to be purchased;
- 2) the rationale behind the acquisition or purchase and its implications on the issuer;
- 3) any envisaged changes in the issuer's board of directors or the executive team as a result of the acquisition or purchase;
- 4) an outline of the business of the target company/asset to be acquired;
- 5) the valuation of the target company/asset including a description of the valuation methodologies and assumptions utilised, the final agreed proposed valuation of the target company to be acquired/asset to be purchased, the final agreed value of the stakes/shares sought in the target company to be acquired, the corresponding value of acquisition or purchase consideration and the value and number of shares to be issued by the issuer, the agreed acquisition or purchase terms in lights of the above (for instance, the agreed upon consideration, portion of the consideration which will be paid in cash and in the proposed issued shares) ; covering at least the agreed value of the stakes/shares sought, a break-down of the consideration (i.e. shares vs. cash), the resulting share swap ratio and cash component per share (if any);
- 6) details of any related parties who have direct or indirect interest in the acquisition or purchase;
- 7) pre and post capital increase ownership structure;
- 8) the Pro-forma financial statements reflecting the financial position of the issuer following the acquisition or purchase;



- 9) a comparison of the issuer's performance indicators as per the pro-forma vs. the issuer's audited financials;
- 10) earnings per share accretion/dilution analysis; and
- 11) the issuer's share price performance, covering at least one year prior to the date of the application for registration and offer of securities.

11. Financial information

This section must include a reasoned management discussion and analysis on the target company/asset.

12. Legal Information

This section must include all legal information relating to the acquisition or purchase, including but not limited to the following:

- 1) the directors of the issuer must make the following declarations:
 - a) the acquisition or purchase does not constitute a breach of the relevant laws and regulations in Saudi Arabia;
 - b) the issuance does not constitute a breach of any contract/agreement entered into by the issuer;
 - c) this section includes all the material legal information about the acquisition's or purchase's documents, which the issuer's shareholders should take into consideration to make a well informed voting decision;
 - d) that there are no other material legal information within this section the omission of which would make any statement herein misleading; and
 - e) (where the acquisition or purchase is a related party transaction) that the independent members of the board of the issuer, other than the related parties, acknowledge that they do not have any direct or indirect interest in any of the issuer's shares or in any of the shares or businesses of the target (or the asset to be purchased), or in any contracts, signed or to be signed, between the parties of the acquisition or purchase, and that they confirm their full independency in respect of the acquisitions or purchases subject of this circular.
- 2) description of the legal structure of the acquisition or purchase;
- 3) governmental approvals and third party consents required to complete the acquisition or purchase;
- 4) a summary of all material contracts and agreements relating to the capital increase for the purpose stated in this circular;
- 5) material terms, conditions and any conditions precedent\undertakings as per the acquisition agreement;
- 6) material terms and conditions and any conditions precedent/undertakings for the other acquisition or purchase documents\agreements;



- 7) particulars of any litigation or claim (including any litigation pending or threatened) or any ongoing investigations which may have a material effect on the issuer or any of its subsidiaries business or financial position, or an appropriate negative statement.
- 8) particulars of any litigation or claim (including any litigation pending or threatened) or any ongoing investigations which may have a material effect on the target or any of its subsidiaries business or financial position, or an appropriate negative statement.
- 9) details of any bankruptcies of each director or proposed director, senior executives, or the company secretary of the issuer (or a negative statement thereto).
- 10) details of any company insolvency in the preceding five years where any of the directors or proposed directors, senior executives, or the company secretary of the issuer were employed by the insolvent company in a managerial or supervisory capacity (or a negative statement thereto).

13. Statements by experts

Where the circular includes a statement made by an expert, a statement should be included specifying the qualifications of the expert and whether such expert or any relative has any shareholding or interest of any kind in the issuer or any of its subsidiaries. In addition, the statement should confirm that the expert has given and not withdrawn his written consent to the publication in the circular of the expert's statement included in the form and context in which it is included.

14. Expenses

This section must include details of the aggregate acquisition or purchase expenses.

15. Waivers

This section must include details on all requirements that have been waived for the issuer by the Authority.

16. Documents available for inspection

This section must include information in relation to the place in the Kingdom at which the following documents may be inspected and the period of time during which the inspection may take place (being not less than 14 days before the date of convening the extraordinary general assembly):

- 1) the bylaws and the articles of association of the target and any amendments thereto (if any);
- 2) the acquisition or purchase documents and agreements;
- 3) the target's audited financials for the past three years (if any);
- 4) the issuer's pro-forma financials;
- 5) the valuation report;
- 6) the advisors consent letters to the use their names, logos and statements in the circular; and
- 7) any other documents/information requested by the Authority.

17. Annexes

This section should include the following annexes to the circular:

1. the annual audited financial statements for the past three years (if any) preceding the date of the application for the target company/asset (where applicable);
2. the reviewed pro-forma financial statement reflecting the financial position of the issuer following the acquisition or purchase; and
3. where the target is a company, a copy of the target's bylaws, and articles of association including all amendments to date.



ANNEX 19 EXTERNAL AUDITOR'S REPORT

This Annex details the external auditor's report which is prepared pursuant to Annex (7) (Contents of a Registration Document for Registration of Debt Instruments Offered by way of Private Placement for an Issuer Without Securities Listed on The Exchange), Annex (12) (Contents of a Prospectus for Shares), Annex (13) (Content of a Prospectus for a Rights Issue), Annex (14) (Contents of a Prospectus for Debt Instruments and Convertible Debt Instruments for an issuer without securities listed on the Exchange) and Annex (15) (Content of a Prospectus for Debt Instruments for an issuer that has securities currently listed on the Exchange) to the Rules on the Offer of Securities and Continuing Obligations. The Authority must be consulted in cases where the issuer is uncertain as to whether an external auditor's report is required.

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

- 1) Contents of external auditor's report:
 - a) The report must cover the issuer and its subsidiaries (if applicable).
 - b) The report must be extracted from the audited financial statements and adjusted as considered necessary by the reporting external auditor.
 - c) The report must be prepared in accordance with the accounting standards issued by SOCPA.
 - d) 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 registration and offer of securities subject to the relevant prospectus or the application for the registration of securities subject to the relevant registration document [use as applicable]:
 1. balance sheet;
 2. income statement;
 3. cash flow statement;
 4. accounting policies; and
 5. any notes to the financial statements covering, as a minimum, the last three financial years.
 - e) 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.
 - f) If the opinion in paragraph (e) 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.
 - g) In the event that the issuer is applying for registration and offer of the securities or applying for the registration of securities [use as applicable] for the first time, the report must not contain any qualification unless the Authority is satisfied that the qualification is acceptable to the Authority and has been adequately explained so as to enable the investors to make a proper and appropriate assessment of the significance of the matter that is the subject of the qualification.



2) 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.

3) Material acquisitions and disposals made during the period under review

- a) Where the issuer has acquired at any time during the three financial years immediately preceding the application for registration and offer of securities or application for the registration of securities [*use as applicable*] 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).
- b) The external auditor's report must include the post-acquisition information on the issuer and its subsidiaries and relevant undertaking referred to in paragraph (a) above.
- c) 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.

In the case of a new application for registration and offer of securities or application for the registration of securities [*use as applicable*], where the external auditor's report on the audited financial statements for the last three financial years of any undertaking acquired by the issuer during the period under review has been qualified, the issuer will be regarded as unsuitable for registration and offer of the securities or registration of securities [*use as applicable*] unless the Authority is satisfied that the qualification has been adequately explained so as to enable the investors to make a proper and appropriate assessment of the significance of the matter that is the subject of the qualification.



ANNEX 20 FORM OF A FINANCIAL ADVISOR'S LETTER

[To be provided on the financial advisor's letterhead]

To: The Authority

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 registration and offer of securities or registration of securities [*use as applicable*] (*please provide details of the securities*) / capital increase by way of a debt conversion (*please provide details of the debt conversion*) [*use as applicable*], and in accordance with Article (39) of the Rules on the Offer of Securities and Continuing Obligations, we [*please insert the name of the financial advisor*] confirm, to the best of our knowledge, and through conducting due diligence and making enquiries of the issuer and its advisors, that the issuer has satisfied all conditions required for registration and offer of securities and has satisfied all other matters required by the Capital Market Authority (the "Authority") 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 Authority any information or clarifications in such form and within such time limit as the Authority required for the purpose of verifying whether [*please insert the financial advisor name*] and the issuer have complied with the Capital Market Law, Listing Rules and the Rules on the Offers of Securities and Continuing Obligations.

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

- 1) it has provided all the relevant services required by the Rules on the Offer of Securities and Continuing Obligations 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 their responsibilities under 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 for the registration and offer of securities or registration of securities [*use as applicable*] (including provisions regarding the prospectus) (including provisions regarding the shareholder circular) (including provisions regarding the registration document) [*use as applicable*];
 - 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; and
 - c. that all matters known to [*please insert the financial advisor name*] which should be taken into account by the Authority when considering the application for registration and offer of securities, or the application for the registration of securities [*use as applicable*], have been disclosed to the Authority.
 - d. that the scope of the financial due diligence report is proper for the purposes of the issuer's application for registration and offer of securities or registration of securities (as applicable) [*use as applicable*].



[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 20 (A) FORM OF A FINANCIAL ADVISOR'S LETTER FOR A SPECIAL PURPOSES ENTITY

[To be provided on the legal advisor's letterhead]

To: The Authority

In our capacity acting as the financial advisor to (please insert the name of the "special purposes entity") (referred to hereinafter as "special purposes entity") in respect of the special purposes entity's application for registration and offer of securities (please provide details of the securities) in accordance with Article (39) of the Rules on the Offer of Securities and Continuing Obligations, we [please insert the name of the financial advisor] confirm, to the best of our knowledge, and through conducting due diligence and making enquiries of the special purposes entity, the sponsor and their advisors, that the issuer and the sponsor have satisfied all conditions required for registration and offer of securities and has satisfied all other matters required by the Capital Market Authority (the "Authority") 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 Authority any information or clarifications in such form and within such time limit as the Authority required for the purpose of verifying whether [please insert the financial advisor name], the sponsor and the special purposes entity have complied with the Capital Market Law, Listing Rules and the Rules on the Offers of Securities and Continuing Obligations.

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

- 1) It has provided all relevant services required by the Rules on the Offer of Securities and Continuing Obligations, with the required care and experience.
- 2) That it has taken reasonable steps to verify that the members of the board of directors of the Special Purpose Entity and the Sponsor understand the nature and extent of their responsibilities in accordance with the Capital Market Law and its Implementing Regulations and Exchange Rules
- 3) It has reached a reasonable opinion, based on adequate investigations and professional experience, to ensure that:
 - a. The Special Purpose Entity and the Sponsor have met all requirements relating to the registration and placement of securities or the registration of securities *[use as applicable]* (including provisions relating to the Prospectus or registration document, as applicable).
 - b. The members of the board of directors of the special purpose entity and the sponsor have developed procedures, controls and systems sufficient to enable the special purpose entity and the sponsor to meet the requirements of the Rules On The Offer Of Securities And The Continuing Obligations, the Listing Rules, the Capital Market Law and its implementing regulations, and the Exchange Rules.
 - c. All known issues of [insert name of the financial advisor] that the Authority should consider when reviewing the application for registration and the offering of securities, or application for the registration of securities *[use as applicable]*, has been disclosed to the Authority.



[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request]



ANNEX 21

FORM OF A LEGAL ADVISOR'S LETTER

[To be provided on the legal advisor's letterhead]

To: The Authority

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 registration and offer of securities or registration of securities *[use as applicable]* *(please provide details of the securities)*.

We further refer to the draft prospectus / shareholders circular / registration document *[use as applicable]* prepared in relation to the issuer *[please provide details of the offer]*, and more specifically, in connection with the application to the Capital Market Authority (the “Authority”) for the registration and offer of the securities of the issuer or registration of securities *[use as applicable]*. 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 the Capital Market Law its Implementing Regulations and the Exchange Rules including the Rules on the Offer of Securities and Continuing Obligations.

In particular, we have advised the issuer on the content of the legal sections of the prospectus / shareholders circular / registration document *[use as applicable]*. 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 *[use as applicable]*).

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 Rules on the Offer of Securities and Continuing Obligations and the Listing Rules, including the content requirements in relation to the prospectus/ shareholders circular / registration document *[use as applicable]* as at the date hereof.

[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 21 (A) FORM OF A LEGAL ADVISOR'S LETTER FOR A SPECIAL PURPOSES ENTITY

[to be provided on the legal advisor's letterhead]

To: The Authority

We, acting as legal advisor to *[please insert the name of the special purposes entity]* (“referred to hereinafter as “special purposes entity”) in respect of the special purposes entity’s application for registration and offer of securities or registration of securities *[use as applicable]* *(please provide details of the securities)*.

We further refer to the draft prospectus prepared in relation to the special purposes entity *[please provide details of the offer]* / registration document *[use as applicable]*, and more specifically, in connection with the application submitted to the Capital Market Authority (the “Authority”) for the registration and offer of its securities or registration of its securities, and after consultation with the financial advisor regarding the application in relation to the requirements of the Capital Market Law its Implementing Regulations and the Exchange Rules including the Rules on the Offer of Securities and Continuing Obligations, we particularly advised the special purposes entity of the requirements that should be included in the legal chapters of the prospectus / registration document *[use as applicable]*. In this respect, we have carried out such further review and enquiries as we consider appropriate in the circumstances.

In our advisory capacity, we confirm that we are not aware of any material matter consisting a violation by the special purposes entity to the requirements of the Capital Market Law its Implementing Regulations and the Exchange Rules including any conditions imposed by the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules, including the requirements of the content of the prospectus / registration document *[use as applicable]* as at the date hereof.

[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request]



ANNEX 22 FORM OF LETTER REQUIRED FOR A CAPITALISATION ISSUE

The issuer must provide the Authority with an application letter to obtain the Authority's approval on any capitalisation issue and the registration of shares. The letter shall contain the following information on the relevant issue according to the most recent audited annual financial statements:

1. the nominal value of the issuer's listed share capital before and after the issue;
2. the number of shares issued before and after the issue;
3. the ratio of shares to be issued as a result of the issue to the number of shares issued prior to the issue;
4. the value of the reserves to be utilised in the issue;
5. the nature of the reserves to be utilised in the issue;
6. a statement that the reserves used for any capital alteration are sufficient for such capital alteration and that the capital alteration complies with applicable rules and regulations;
7. the details on share fraction treatment (if any);
8. the date of the audited annual financial statements from which the value of the reserves to be utilised was taken and a certified copy of such statements;
9. details of any dividends or other actions that may impact the retained earnings and the reserves that appear in the financial statements referred to in paragraph (8) above or an appropriate negative statement; and
10. include a statement on the approval from the relevant regulatory authorities as well as a copy of this approval (where applicable).

[This annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. in case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].



ANNEX 23 CONTENT OF LETTER REQUIRED FOR CAPITAL REDUCTION

The issuer must provide the Authority with a signed and dated application letter to obtain the Authority's approval on any capital reduction. The letter shall contain the following information:

1. The nominal value of the issuer's listed share capital before and after the capital reduction.
2. The total number of shares of the issuer before and after the capital reduction.
3. The ratio of remaining shares of the issuer after the capital reduction to the number of shares of the issuer prior to the capital reduction.
4. The value of the capital reduction.
5. The method of the capital reduction.
6. The details on share fraction treatment (if any).
7. The date of the financial statements from which the required numbers for valuations of the capital reduction were taken and a certified copy of such statements.
8. Include a statement on the approval from the relevant regulatory authorities (if any) as well as a copy of this approval.

[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request]



ANNEX 24

CONTENT OF A PROSPECTUS FOR PARALLEL MARKET OFFERS

The prospectus for the registration and offering of securities in the Parallel Market shall contain the following as minimum:

1. Cover page

This section must include the following information (where applicable):

- 1) the issuer's name;
- 2) the issuer's incorporation date and commercial registration number;
- 3) capital and number of shares;
- 4) a summary of the offer including share class and rights;
- 5) substantial shareholders;
- 6) targeted types of investors;
- 7) offer period and conditions;
- 8) shares that have been listed prior to the particular offer by the issuer (if applicable);
- 9) a statement that the issuer has submitted the application for registration and offer of shares in the Parallel Market to the Authority, and all requirements have been met; and
- 10) the following declaration:

“This prospectus includes information provided in compliance with the Rules on the Offer and Continuing Obligations issued by Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority"). The directors, whose names appear in this prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omissions of which would make any statement in the prospectus misleading. The Authority and the Exchange do not take any responsibility for the contents of this prospectus, 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. Those wishing to buy listed shares under this prospectus shall verify the information related to the shares being offered; and consult a licensed financial advisor when facing any difficulty understanding the contents of this prospectus.”

2. Important notice

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

3. Corporate directory

This section must include the following:



- 1) issuer's and its representatives' contact information, including addresses, telephone numbers, e-mail addresses, and the issuer's website.
- 2) the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the Prospectus has been attributed:
 - a) the financial advisor;
 - b) the legal advisor (if any);
 - c) the external auditor; and
 - d) the Capital Market Institutions authorised to place or sell the shares.

4. Offer summary

This section must include the following information (where applicable):

- 1) the issuer's name, description and incorporation information;
- 2) the issuer's activities;
- 3) substantial shareholders showing their ownership percentages and number of shares pre- and post-offering;
- 4) the capital of the issuer;
- 5) issuer's total number of shares;
- 6) the nominal value per share;
- 7) the total number of offered shares;
- 8) the percentage of offered shares to the capital of the issuer;
- 9) the offer price;
- 10) the total value of offer;
- 11) the use of the proceeds;
- 12) types of targeted investors;
- 13) subscription method;
- 14) the minimum number of shares to be subscribed for;
- 15) the minimum value of shares to be subscribed for;
- 16) the maximum number of shares to be subscribed for;
- 17) the maximum value of shares to be subscribed for;
- 18) the method of allocation of the shares and refund of excess monies;



- 19) the offer period;
- 20) the rights to dividends;
- 21) voting rights;
- 22) restrictions on shares; and
- 23) shares that have been listed prior to the particular offer by the issuer (if applicable).

5. Key dates and subscription procedure

This section must include:

- 1) a timetable showing the expected dates of the offering; and
- 2) a description of the subscription procedure.

6. Summary of basic information

This section must include a summary of the following basic information:

- 1) a description of the issuer;
- 2) the issuer's mission and overall strategy; and
- 3) the issuer's key strengths and competitive advantages.

7. Summary of financial information

This section must include a summary of the following key financial information:

- 1) issuer's operational performance;
- 2) financial condition;
- 3) cash flows; and
- 4) the issuer's key performance indicators.

8. Table of contents

This section must include the prospectus table of contents.

9. Terms and definitions

This section must include the terms and definitions used through the prospectus.

10. Risk factors

This section must include the following statement:

- a) "Investment in the shares offered under this Prospectus involves high risks, and may only suit investors capable of assessing the benefits and risks of this investment, and bear any losses may result thereof".



b) This section must include information in relation to risk factors specific to:

- 1) the issuer;
- 2) the market and industry in which the issuer operates; and
- 3) the shares being offered.

11. Issuer's background and business nature

This section must include the following information:

- 1) the official name, commercial registration number and the address shown in the commercial registration and, if different, the principal address of the issuer;
- 2) the date of incorporation of the issuer;
- 3) the authorised shares of the issuer, the number of shares issued or agreed to be issued, the value paid up, the nominal value and a description of the shares;
- 4) a description and organisation chart of the group showing the issuer's position within that group (if applicable);
- 5) the general nature of the business of the issuer and details of the main products sold or services performed and an indication of any significant new products or activities;
- 6) if the issuer trades outside the Kingdom, a statement showing the location of such trading operations must be provided. Where a material portion of the issuer's assets is outside the Kingdom, the value and location of such assets and the value of the assets located in the Kingdom must be specified;
- 7) information concerning the policy of the issuer on the research and development of new products and production processes over the last financial year, where significant;
- 8) particulars of any interruption in the business of the issuer which may have or has had a significant effect on the financial position in the last 12 months;
- 9) the number of people employed by the issuer and any material changes to that number, with a breakdown of persons employed by main categories of activity and by Saudisation ratio; and
- 10) a statement that no material change in the nature of the business is contemplated or, if one is contemplated, a detailed description of that change and its impact on the issuer's business and profitability.

12. Ownership and Organisational structure

This section must include the following information:

1. Ownership structure pre- and post-offering
2. Management:
 - a) the issuer's organisational chart showing the directors structure, supervisory committees, and the functions of senior executives;



- b) the full names and description of the most significant professional and academic qualifications and area of expertise and the date of appointment of all the directors or proposed directors (showing whether the director is independent or executive or non-executive), in addition to the senior executives and the secretary of the board; and
- c) information about the issuer's board committees, including the names of each committee member and a summary of the terms of reference under which the committee operates.

13. Dividend policy

This section must include an explanation of the issuer's dividend policy, as well as details on any dividend payments made during the last year.

14. Use of proceeds and future projects

- a) This section must include an estimate of the proceeds of the offer and the offer expenses and a statement as to how such proceeds are intended to be used.
- b) Where the proceeds are to be used to fund future projects, the nature of these projects should be described and the following information included:
 - 1) future projects' key milestones and timetable to execute those future projects; and
 - 2) an estimate and breakdown of future projects costs, showing the stages in which such costs will be incurred, in addition to details regarding the sources of financing.

15. Declarations

The directors of the issuer must make the following declarations:

- 1) other than what has been mentioned on page [●] of this Prospectus, there has not been any interruption in the business of the issuer or any of its subsidiaries (if any) which may have or has had a significant effect on the financial position in the last 12 months.
- 2) other than what has been mentioned on page [●] of this Prospectus, no commissions, discounts, brokerages or other non-cash compensation have been granted within the last year preceding the application for registration and offer of shares that are the subject of this prospectus in connection with the issue or offer of any securities by the issuer or any of the issuer's subsidiaries (if applicable).
- 3) other than what has been mentioned on page [●] of this Prospectus, there has not been any material adverse change in the financial and trading position of the issuer or any of its subsidiaries (if any) in the last year preceding the application for registration and offer of shares.
- 4) other than what is mentioned on page [●] of this Prospectus, no director nor any of their relatives have interest of any kind in the issuer or any of its subsidiaries (if any).

16. Information concerning the shares and terms and conditions of the offer

This section must include the following information:

- 1) a statement that application has been made to the Authority for registration and offer of shares in the Parallel Market;
- 2) the type and total value of the offer including the number of shares being offered;



- 3) the offer price and the nominal value of each share;
- 4) the subscription method;
- 5) the offer period and conditions;
- 6) the method of allocation of the shares and refund of excess monies;
- 7) when and under what circumstances the offer may be suspended;
- 8) a description of the resolutions, and approvals by virtue of which the shares will be offered; and
- 9) details of any lock-up arrangement in place restricting the disposal of particular shares.

17. Price dilution

If the offer is a result of an increase in the issuer's capital, this section must include information on the price dilution effects and its impact on the shareholders.

18. Subscription declarations

This section must include information on the subscription declarations, allocation process, and the Exchange details.

19. Procedures of Incomplete Offer

This section must include procedures to be taken by the issuer in case the offer is not completed.

20. Documents Available for Inspection

This section must include information in relation to the place at which the following documents may be inspected and the period of time during which the inspection may take place (being not less than 7 days before the end of the offer period):

- 1) the by-laws and other constitutional documents of the issuer;
- 2) any document or order granting permission to offer securities to the public;
- 3) all other reports, letters, documents, value estimates or statements prepared by any expert and any part of which is extracted or referred to in the Prospectus; and
- 4) the audited annual financial statements of the issuer for the most recent financial year prior to the date of publication of the prospectus, in addition to the most recent interim financial statements.

21. External auditor's report

The issuer's audited annual financial statements for the last year preceding the date of the publishing the Prospectus, in addition to the most recent interim financial statements (if any), must be enclosed.



ANNEX 24 (A) CONTENT OF A REGISTRATION DOCUMENT

The registration document for direct listing in the Parallel Market shall contain the following as minimum:

1. Cover page

This section must include the following information (where applicable):

- 1) the issuer's name;
- 2) the issuer's incorporation date and commercial registration number;
- 3) capital and number of shares;
- 4) share class and rights;
- 5) substantial shareholders;
- 6) shares that have been listed (if any);
- 7) a statement that the issuer has submitted the application to the Authority, and all requirements have been met; and
- 8) the following declaration:

“This prospectus includes information provided in compliance with the Rules on the Offer and Continuing Obligations issued by Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority"). The directors, whose names appear in this document, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omissions of which would make any statement in the prospectus misleading. The Authority and the Exchange do not take any responsibility for the contents of this prospectus, 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. Those wishing to buy listed shares under this prospectus shall verify the information related to the shares being offered; and consult a licensed financial advisor when facing any difficulty understanding the contents of this document.”

2. Important notice

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

3. Corporate directory

This section must include the following:

- 1) issuer and its representatives' contact information, including addresses, telephone numbers, e-mail addresses, and the issuer's website.



- 2) the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the Prospectus and the registration document has been attributed:
 - a. the financial advisor;
 - b. the legal advisor (if any);
 - c. the external auditor; and
 - d. the capital market institution authorised to offer or sell the shares.
 - e. The capital market institution for the purpose of fulfilling the liquidity requirements for the shares subject in the direct listing application (if any).

4. Summary

This section must include the following information (where applicable):

- 1) the issuer's name, description and incorporation information;
- 2) the issuer's activities;
- 3) substantial shareholders showing their ownership percentages and number of shares prelisting;
- 4) substantial shareholders who assigned the Capital Market Institution, under the Listing Rules, to sell their shares at their discretion, the number of their shares and the percentage of their ownership before listing and after applying the liquidity requirement fulfilment plan provided to the Exchange pursuant to the Listing Rules
- 5) the capital of the issuer;
- 6) issuer's total number of shares;
- 7) the nominal value per share;
- 8) the guiding share price upon listing;
- 9) the rights to dividends;
- 10) voting rights;
- 11) restrictions on shares; and
- 12) shares that have been listed (if any).

5. Summary of basic information

This section must include the following:

- 1) a description of the issuer;
- 2) the issuer's mission and overall strategy; and
- 3) the issuer's key strengths and competitive advantages.



6. Summary of financial information

This section must include a summary of the following key financial information:

- 1) issuer's operational performance;
- 2) financial condition;
- 3) cash flows; and
- 4) the issuer's key performance indicators.

7. Table of contents

This section must include the table of contents for the registration document.

8. Terms and definitions

This section must include the terms and definitions used through the registration document.

9. Risk factors

- a) This section must include the following statement:

"Investment in the shares directly listed in the Parallel Market involves high risks, and may only suit investors capable of assessing the benefits and risks of this investment, and bear any losses may result thereof".

- b) This section must include information in relation to risk factors specific to:

- 1) the issuer;
- 2) the market and industry in which the issuer operates; and
- 3) the shares being directly listed in the Parallel Market.

10. Issuer's background and business nature

This section must include the following information:

- 1) the official name, commercial registration number and the address shown in the commercial registration and, if different, the principal address of the issuer;
- 2) the date of incorporation of the issuer;
- 3) the authorised shares of the issuer, the number of shares issued or agreed to be issued, the value paid up, the nominal value and a description of the shares;
- 4) a description and organisation chart of the group showing the issuer's position within that group (if applicable);
- 5) the general nature of the business of the issuer and details of the main products sold or services performed and an indication of any significant new products or activities;
- 6) if the issuer trades outside the Kingdom, a statement showing the location of such trading operations must be provided. Where a material portion of the issuer's assets is outside the



Kingdom, the value and location of such assets and the value of the assets located in the Kingdom must be specified;

- 7) information concerning the policy of the issuer on the research and development of new products and production processes over the last financial year, where significant;
- 8) particulars of any interruption in the business of the issuer which may have or has had a significant effect on the financial position in the last 12 months;
- 9) the number of people employed by the issuer and any material changes to that number, with a breakdown of persons employed by main categories of activity and by Saudisation ratio; and
- 10) a statement that no material change in the nature of the business is contemplated or, if one is contemplated, a detailed description of that change and its impact on the issuer's business and profitability.

11. Ownership and Organisational structure

This section must include the following information:

1. Ownership structure in the issuer.
2. Management:
 - a) the issuer's organisational chart showing the directors structure, supervisory committees, and the functions of senior executives;
 - b) the full names and description of the most significant professional and academic qualifications and area of expertise and the date of appointment of all the directors or proposed directors (showing whether the director is independent or executive or non-executive), in addition to the senior executives and the secretary of the board; and
 - c) information about the issuer's board committees, including the names of each committee member and a summary of the terms of reference under which the committee operates.

12. Dividend policy

This section must include an explanation of the issuer's dividend policy, as well as details on any dividend payments made during the last year.

13. Costs of direct listing

This section must include an estimation of the costs of direct listing in the Parallel Market.

14. Declarations

The directors of the issuer must make the following declarations:

- 1) 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 its subsidiaries (if any) which may have or has had a significant effect on the financial position in the last 12 months.
- 2) other than what has been mentioned on page [●] of this document, no commissions, discounts, brokerages or other non-cash compensation have been granted within the last year preceding the application for registration for the issuance and offer of shares that are the subject of this



prospectus in connection with the issue or offer of any securities by the issuer or any of the issuer's subsidiaries (if applicable).

- 3) other than what has been mentioned on page [●] of this document, there has not been any material adverse change in the financial and trading position of the issuer or any of its subsidiaries (if any) in the last year preceding the application for registration for the issuance and offer of shares.
- 4) other than what is mentioned on page [●] of this document, no director nor any of their relatives have interest of any kind in the issuer or any of its subsidiaries (if any).

15. Information concerning the shares and terms of direct listing

This section must include the following information:

- 1) a statement that application has been made to the Authority for the registration of shares in the Parallel Market;
- 2) the guiding share price upon listing and the nominal value of each share;
- 3) when and under what circumstances the shares may be suspended;
- 4) a description of the resolutions, and approvals by virtue of which the shares will be listed; and
- 5) details of any lock-up arrangement in place restricting the disposal of particular shares.

16. Documents Available for Inspection

This section must include information in relation to the place at which the following documents may be inspected and the period of time during which the inspection may take place (being not less than 7 days before the end of the offer period):

- 1) the by-laws and other constitutional documents of the issuer;
- 2) any document or order granting permission to directly list shares in the Parallel Market;
- 3) all other reports, letters, documents or statements prepared by any expert and any part of which is extracted or referred to in the registration document; and;
- 4) The mechanism by which the guiding price is determined.
- 5) the audited annual financial statements of the issuer for the most recent financial year prior to the date of publication of the registration document, in addition to the most recent interim financial statements.

17. External auditor's report

The issuer's audited annual financial statements for the last year preceding the date of the publishing the registration document for direct listing of shares in the Parallel Market, in addition to the most recent interim financial statements (if any), must be enclosed.



ANNEX 25

FORM OF FINANCIAL ADVISOR'S LETTER WITH REGARDS TO AN APPLICATION FOR REGISTRATION AND OFFER ON THE PARALLEL MARKET OR AN APPLICATION FOR REGISTRATION IN THE PARALLEL MARKET

[To be provided on the Financial Advisor's letterhead]

To: The Capital Market Authority

In our capacity acting as the financial advisor to *[please insert the name of the issuer]* (referred to hereinafter as *the "issuer"*) in respect of the issuer's application for registration and offer of shares *[please provide details of the shares]* in the Parallel Market or the issuer's application for registration in the Parallel Market, and in accordance with Article (90) of the Rules on the Offer of Securities and Continuing Obligations, we *[please insert the name of the financial advisor]* confirm, to the best of our knowledge, and through conducting due diligence and making enquiries from the issuer and its directors, that the issuer has satisfied all conditions required for registration and offer of shares in the Parallel Market or for the registration in the Parallel Market (use as applicable) and has satisfied all other matters required by Capital Market Authority ("the Authority") as of the date of this letter.

[please insert the financial advisor name] further confirms that to the best of its knowledge and within its capacity as financial advisor, provided to the Authority any information or clarifications in such form and within such time limit as the Authority requires for the purpose of verifying whether *[please insert the financial advisor name]* and the issuer have complied with the Capital Market Law and the Rules on the Offer of Securities and Continuing Obligations.

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

- 1) It has provided all relevant services as per the Rules on the Offer of Securities and Continuing Obligations 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 their responsibilities under the Capital Market Law and its Implementing Regulations;
- 3) It has come to a reasonable opinion, based on due enquiry and professional experience, that:
 - a) the issuer has satisfied all requirements relevant to the registration and offer in the Parallel Market or for the registration in the Parallel Market (use as applicable), (including provisions regarding the prospectus)/(including provisions regarding the shareholder circular)/(including the registration document) [use as applicable];
 - 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, Capital Market Law and its Implementing Regulations; and
 - c) that all matters known to *[please insert the financial advisor name]* which should be taken into account by the Authority when considering the application for registration and offer of shares on the Parallel Market or the registration in the Parallel Market (use as applicable) have been disclosed to the Authority.
 - d) that the scope of the financial due diligence report is proper for the purposes of the issuer's application for registration and offer of shares or the registration in the Parallel Market-if any-*[use as applicable]*.



[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request]



ANNEX 26

CONTENTS OF SHAREHOLDERS' CIRCULAR FOR A CAPITAL INCREASE OF A COMPANY THE SHARES OF WHICH ARE LISTED ON THE PARALLEL MARKET BY DEBT CONVERSION

The shareholders' circular submitted for registration and offering of shares for capital increase by debt conversion of a company the shares of which are listed on the parallel market shall contain the following information:

1. Cover page

This section must include the following information (as applicable):

- 1) a summary of the transaction, its reasons and details about the creditor.
- 2) the following declaration:

“This shareholders' circular contains information provided in compliance with the Rules on the Offer of Securities and Continuing Obligations issued by Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority"). The directors, whose names appear in this circular, collectively and individually accept full responsibility for the accuracy of the information contained in this shareholders' circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omissions of which would make any statement herein misleading. The Authority and the Exchange do not take any responsibility for the contents of this circular, 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 circular. A licensed financial advisor shall be consulted when facing any difficulty understanding the contents of this circular.”

2. **Description and structure of the transaction.**
3. **Risk factors related to the transaction.**
4. **Timeframe of the transaction.**
5. **Key accounting items of the issuer's audited financial statements.**
6. **Key accounting items for the pro-forma financial statements which reflect the issuer's condition following the capital increase.**
7. **The origin of the current debt (to be converted into shares) and its assessments based on the opinion of an expert or a certified assessor.**
8. **The material legal information which the Issuer's shareholders should take into consideration to make a well informed voting decision on the capital increase for the reason disclosed in the circular.**
9. **Related parties to the transaction.**
10. **Any new proposed members of the board or the executive management in the issuer as a result of the transaction;**
11. **A statement from the directors of the issuer confirming that in the board's view the proposed capital increase to acquire a company/ asset is in the best interests of the issuer and the shareholders.**



12. The issuer must refer to the place in the Kingdom where the following documents may be reviewed and the timeframe during which such review may take place (provided that this timeframe must not be less than 14 days prior to the extraordinary general assembly meeting):

- 1) The documents and agreements related to the debt conversion;
- 2) The issuer's pro-forma financial statements;
- 3) The valuation report;
- 4) The statement prepared and signed by the issuer's board of directors and its auditor (who are jointly liable on its correctness) on the origin of the debt and its value;
- 5) Any additional document required by the Authority.



ANNEX 27

CONTENTS OF SHAREHOLDERS'S CIRCULAR FOR A CAPITAL INCREASE OF A COMPANY WHICH SHARES ARE LISTED ON THE PARALLEL MARKET TO ACQUIRE A COMPANY OR PURCHASE AN ASSET

The shareholders' circular submitted for registration and offering of shares for capital increase of a company the shares of which are listed on the parallel market, to acquire a company or purchase an asset, shall contain the following information:

1. Cover page

This section must include the following information:

- 1) a summary of the acquisition and purchasing transaction, purpose of the capital increase and the identity of the target company/assets.
- 2) the following declaration:

“This shareholders' circular contains information provided in compliance with the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") The directors, whose names appear in this circular, collectively and individually accept full responsibility for the accuracy of the information contained in this shareholders' circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omissions of which would make any statement in the circular misleading. The Authority and the Exchange do not take any responsibility for the contents of this circular, 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 circular. A licensed financial advisor shall be consulted when facing any difficulty understanding the contents of this circular.”

2. **Description and structure of the transaction.**
3. **Risk factors related to the transaction.**
4. **Timeframe of the transaction.**
5. **Description of the targeted asset /company and the company's operations and industry.**
6. **Key accounting items of the issuer's audited financial statements.**
7. **Key accounting items of the audited financial statements (if any) for the targeted asset or company (as applicable).**
8. **Key accounting items for the pro-forma financial statements which reflect the issuer's condition following the capital increase.**
9. **Valuation of the asset or the company to be acquired;**
10. **The material legal information which the Issuer's shareholders should take into consideration to make a well informed voting decision on the capital increase for the reason disclosed in the circular.**
11. **Related parties to the transaction;**



- 12. Any new proposed members of the board or the executive management in the issuer as a result of the transaction;**
- 13. A statement from the directors of the issuer confirming that in the board's view the proposed capital increase to acquire a company/ asset is in the best interests of the issuer and the shareholders.**
- 14. The issuer shall indicate the place in the kingdom where the following documents can be viewed and the timeframe for that (provided that this timeframe is no less 14 days prior to the Extraordinary General Assembly meeting):**
 - 1) The documents and agreements related to the acquisition;
 - 2) The issuer's pro-forma financial statements, and the audited financial statements for the target company/asset (if any).;
 - 3) The valuation report;
 - 4) Any additional document required by the Authority.



ANNEX 28 CLASS TEST

This Annex sets out the following Class Tests:

1. The Assets test:

The assets test is calculated by dividing the total gross assets which are the subject of the transaction by the total gross assets of the Listed Company, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.

2. The Profits test:

The profits test is calculated by dividing the net profits attributable to the assets which are the subject of the transaction by the net profits of the Listed Company, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.

3. Revenues test:

The revenues test is calculated by dividing the gross revenues attributable to the assets which are the subject of the transaction divided by the gross revenues of the Listed Company, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.

4. Consideration test:

The consideration test is calculated by dividing the consideration (i.e. the amount paid to the contracting party in the transaction) by the total market capitalisation of the Listed Company (excluding treasury shares). The total market capitalisation is the average closing price of the Listed Company's securities as listed on the Exchange for the five business days preceding the date of signing the final agreement or announcing the transaction.