

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 [•]

Dated [•] Corresponding to [•]

Based on the Capital Market Law

issued by Royal Decree No. M/30 dated 2/6/1424H

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**

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

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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 Authorised Persons Regulations, an offer shall be exempt from the requirements of these Rules in any of the following cases:
- 1) offers of contractually based securities;
 - 2) where an issuer whose shares are not listed on the Exchange increases its capital by offering new shares to existing shareholders;
 - 3) 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;
 - 4) 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; or
 - 5) offers in an insolvency situation where shares are offered to creditors.
- b) The authorised person shall, when making an exempt offer, notify the Authority on a quarterly basis of the total number and value of the exempt offers the authorised person 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) names of the offerees;
 - 3) amount paid by each offeree 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.

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.

PART 3: PRIVATE PLACEMENT OFFER

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 securities are issued by the government of the Kingdom, or a supranational authority recognised by the Authority;
 - 2) the offer is restricted to sophisticated investors; or
 - 3) 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 : Offers to Sophisticated Investors

- a) An offer of securities is restricted to sophisticated investors where the offer is directed at the following persons:
 - 1) the government of the Kingdom, any supranational authority recognised by the Authority, the Exchange and any other stock exchange recognised by the Authority or the Depository Center;
 - 2) institutions acting for their own account;
 - 3) authorised persons acting for their own account;
 - 4) clients of an authorised person licensed to carry out management activities, provided that:
 - a. the offer is directed through the authorised person and all relevant communications are made through the authorised person; and

- b. the authorised person has been engaged on terms which enable it to make decisions concerning the acceptance of private offers of securities on the client's behalf without reference to the client;
- 5) registered persons of an authorised person (only in respect of an offer carried out through that authorised person);
- 6) professional investors; or
- 7) any other persons prescribed by the Authority.

Article 10 : Limited Offers

- a) An offer of securities is a limited offer if it is directed at no more than 60 offerees (excluding sophisticated investors) and the minimum amount payable per offeree is not less than one million SR or an equivalent amount. The minimum amount payable per offeree may be less than one million SR or an equivalent amount where the total value for the securities being offered does not exceed five million 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 11 : 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 an authorised person licensed to carry out arranging activities; and
 - 2) the offeror notifies the Authority in writing in accordance with Annexes 1 or 2 of these Rules (as appropriate) 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 3 of these Rules;
 - b. a declaration from the authorised person whom the offer is made through, in the form set out in Annex 4 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. In its discretion, the Authority 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, its Implementing Regulations or the Exchange Rules, 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 capital markets of the Kingdom as a whole or may result in a breach of the Capital Market Law, its Implementing Regulations or the Exchange Rules, 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 authorised person must provide the Authority within ten days a list 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 authorised person must provide the Authority within ten days with a notification in writing signed by the offeror confirming that the offer has failed to complete.

Article 12 : Responsibilities and obligations of the Authorised Person

The authorised person through whom the offer is made must ensure that all of the conditions and requirements in paragraphs (a), (e), and (f) of Article 11 and in Article 13 of these Rules have been fulfilled.

Article 13 : 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 5 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 following conditions are fulfilled:
 - 1) the securities advertisement is directed solely at persons to whom a private placement may lawfully be made in accordance with these Rules; and
 - 2) the securities advertisement complies with the applicable provisions of the Securities Business Regulations and the Authorised Persons Regulations.

Article 14 : 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 15 : 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 an authorised person and where one of the following requirements is met:

- 1) the price to be paid for the securities in any one transaction is equal to or exceeds one million SR or an equivalent amount;
 - 2) the securities are offered or sold to a sophisticated investor; 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 declined 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 was equal to or exceeded one million 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.

PART 4: PUBLIC OFFER

Chapter 1: General Provisions

Article 16 : 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.

Article 17 : 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 18 : Approval of the issuer

- a) 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. This requirement shall not apply to the approval of the extraordinary general assembly to increase the issuer's capital provided that it must be issued in accordance with Article Article 39 of these Rules.
- b) Without prejudice to paragraph (a) of this Article, where an offeror wishes to offer securities by way of a public offer, the issuer must submit an application for registration and offer of those securities to the Authority in accordance with the provisions of this Part.

Article 19 : 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 and its relevant Implementing Regulations.
- b) The issuer must provide details in writing of how its representatives may be contacted including office, mobile and fax telephone numbers, and electronic mail address.

Article 20 : 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 21 : 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 an independent financial advisor and an independent 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 an independent financial advisor and an independent legal advisor.
- c) Where an issuer whose securities are listed submits an application to reduce its capital, the issuer must appoint an independent financial advisor and an independent legal advisor.
- d) In cases where the appointment of a financial advisor or a legal advisor is not mandatory, the Authority may require the appointment of an independent financial advisor and/or an independent legal advisor to advise the issuer on the application of these Rules, 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.
- f) The issuer may appoint more than one financial advisor or more than one legal advisor, provided that at least one of the financial advisors and one of the legal advisors are independent.

Article 22 : 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) Circumstances under which the financial advisor shall not be considered independent of the issuer include, but are not limited to, the following:
 - 1) the financial advisor or any of its subsidiaries is a substantial shareholder in the issuer or any of its subsidiaries or is a director in the issuer or any of its subsidiaries;
 - 2) the financial advisor or any of its subsidiaries is a substantial shareholder in a controller of the issuer or any of its subsidiaries;
 - 3) an employee of the financial advisor who is involved in the provision of financial advice to the issuer is a substantial shareholder in the issuer or any of its subsidiaries or is a director in the issuer or any of its subsidiaries;
 - 4) a director or a substantial shareholder of the financial advisor or any of its subsidiaries is a substantial shareholder in the issuer or any of its subsidiaries or is a director in the issuer or any of its subsidiaries;
 - 5) a director or a shareholder of the issuer or any of its subsidiaries is a substantial shareholder in the financial advisor or any of its subsidiaries or is a director in the financial advisor or any of its subsidiaries;
 - 6) the issuer or any of its subsidiaries is a substantial shareholder or a director in the financial advisor or any of its subsidiaries; or
 - 7) the issuer or any of its subsidiaries is a substantial shareholder in a controller of the financial advisor or any of its subsidiaries.
- c) For the purposes of paragraph (b) of this Article, any reference to a legal person acting as a director means such legal person having a representative on the board of directors.
- d) 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 16 of these Rules.
- e) Upon an application to the Authority of an issuer to undertake a voluntary cancellation of listing or a capital reduction, the financial advisor must provide adequate professional assistance in the circumstances.
- f) 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 (d) of this Article and the completion of the offer, the financial advisor must notify the Authority thereof without delay.

Article 23 : Requirements and obligations of the legal advisor

- a) The legal advisor must be licensed to practise law in the Kingdom.
- b) An issuer may only appoint a legal advisor if the legal advisor is independent of both the issuer and the issuer's financial advisor. Circumstances under which the legal advisor shall not be considered independent of the issuer or the issuer's financial advisor include, but are not limited to, the following:
 - 1) the legal advisor or any of its subsidiaries is a substantial shareholder in the issuer, the financial advisor or any of their subsidiaries or is a director in the issuer, the financial advisor or any of their subsidiaries;

- 2) the legal advisor or any of its subsidiaries is a substantial shareholder in a controller of the issuer, the financial advisor or any of their subsidiaries;
 - 3) an employee of the legal advisor who is involved in the provision of legal advice and service to the issuer is a substantial shareholder or a director in the issuer, the financial advisor or any of their subsidiaries;
 - 4) a partner of the legal advisor or a director of any of its subsidiaries is a substantial shareholder in the issuer, the financial advisor or any of their subsidiaries or is a director in the issuer, the financial advisor or any of their subsidiaries;
 - 5) a director or a shareholder of the issuer or any of its subsidiaries is a substantial shareholder in the legal advisor or any of its subsidiaries or is a director or partner in the legal advisor or any of its subsidiaries;
 - 6) the issuer, the financial advisor or any of their subsidiaries is a substantial shareholder or a director or partner in the legal advisor or any of its subsidiaries; or
 - 7) the issuer or any of its subsidiaries is a substantial shareholder in a controller of the legal advisor or any of its subsidiaries.
- c) For the purposes of paragraph (b) of this Article, any reference to a legal person acting as a director means such legal person having a representative on the board of directors.
- d) 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 Annex 17 of these Rules.
- e) Upon an application to the Authority of an issuer to undertake a voluntary cancellation of listing or a capital reduction, the legal advisor must provide adequate professional assistance in the circumstances in accordance with the rules of its profession.

Chapter 3 – Conditions for a Public Offer

Article 24 : 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 under substantially the same board and executive management for at least the previous three years before submitting the application for registration and offer of securities. The "same board and executive management" requirement is satisfied where at least half of the board of directors and half of the senior executives of the issuer are the same persons since the beginning of the relevant three years. Where for the purposes of this paragraph, the "same board and executive management" requirement is not satisfied, the Authority may accept an application from an issuer who can demonstrate that any change in its board or management did not substantially impact that issuer's main activity during the relevant three-year period.
- 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, the Authority may require audited financial statements covering any period that it deems appropriate 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.
- 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 include, without limitation, changes such as:

- a. changing the identity of the owners of the issuer holding 20% or more of the shares or voting power;
 - b. reducing the capital of the issuer;
 - c. raising the capital of the issuer by 20% or more of the capital before the increase by way of issuing shares for cash or in kind or conversion of debt;
- 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 capital markets of the Kingdom as a whole 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 25 : Conditions for a public offer of debt instruments

- a) Where an issuer wishes to issue debt instruments, it must meet the conditions set out in Article 24 of these Rules as applicable.
- 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 capital markets of the Kingdom as a whole, 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) A special purpose entity may issue debt instruments in accordance with the Rules Governing Special Purpose Entities. The provisions of these Rules shall apply to the special purpose entity in accordance with what is stipulated under the Rules Governing Special Purpose Entities.

Article 26 : Additional conditions for a public offer of convertible debt instruments

If the issuer wishes to issue convertible debt instruments, such issuance shall be subject to the following conditions:

- 1) The conditions set out in Article 25 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 in addition to all of the information stipulated in Annex 12 of these Rules, contain the applicable information as required by Annex 10 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.

Chapter 4 – Application for Registration and Offer

Article 27 : Underwriting

- a) The offer of securities must be fully underwritten by one or more authorised persons licensed to carry out underwriting activities, and that authorised person 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) issuance of debt instruments; or
 - 5) issuance of convertible debt instruments.

Article 28 : 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.

Article 29 : Supporting documents

- a) The issuer must submit an original copy (or certified copy where appropriate) of the following documents to the Authority with its application for registration and offer:
 - 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) a working party list providing the contact details of the persons in charge whom are involved with the application at the issuer, 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 6 of these Rules;
- 7) a declaration by the issuer in the form set out in Annex 7 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 8 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 paragraph (a) of Article 16 of these Rules;
- 11) the draft prospectus or shareholders' circular (as applicable) in Arabic;
- 12) the issuer's certificate of commercial registration and, where applicable those of its subsidiaries, or equivalent;
- 13) the issuer's articles of association and bylaws and all amendments to date (if any) and, where applicable, those of its subsidiaries;
- 14) the board of director's report and audited annual financial statements of the issuer and, where applicable, those of its subsidiaries 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 last annual report and the most recent audited financial statements;
- 16) a report by an external auditor on the working capital of the issuer for the 12 month period following the date of the publication of the prospectus;
- 17) the legal due diligence report issued by the legal advisor regarding the application;
- 18) the financial due diligence report regarding the application;

- 19) 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);
- 20) the market study detailing the latest relevant industry information and market trends produced for inclusion in the prospectus or the shareholders' circular (as applicable);
- 21) 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);
- 22) a copy of the subscription application forms;
- 23) a letter from the financial advisor and the issuer setting out the disclosure requirements under these Rules which are not applicable;
- 24) a letter from the issuer's financial advisor in the form set out in Annex 16 of these Rules;
- 25) a letter from the issuer's legal advisor in the form set out in Annex 17 of these Rules;
- 26) in the case of debt instruments or convertible debt instruments, a copy of the debenture agreement or any other document constituting or securing such instruments must be included;
- 27) 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;
- 28) a valuation report;
- 29) all underwriting commitment letters;
- 30) details of the team working on the application for registration and offer;
- 31) an electronic copy of all the above mentioned documents (where applicable);
and
- 32) 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 must submit an original copy (or certified copy where appropriate) of the following documents to the Authority:

- 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, if applicable;
- 3) five copies of the published prospectus or the shareholders' circular (as applicable) in Arabic;
- 4) five copies of the English translation of the prospectus or the shareholders' circular (as applicable);
- 5) the securities allocation model;
- 6) the latest reviewed interim financial statements (where applicable);
- 7) all signed underwriting, sub-underwriting and distribution agreements entered into in connection with the offer and the lead manager agreement (as applicable);
- 8) an updated and signed letter that contains the applicable information as required by Annex 6 of these Rules; and
- 9) an electronic copy of all of the above mentioned documents (where applicable).

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 an original copy (or certified copy where appropriate) of 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 in writing 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 must retain copies 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 subparagraphs 16), 17), 18), 20), 27), 28) and 29) 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), 19), 20), 22), 26), 28) and 29) of paragraph (a) and subparagraphs 5), 6) and 7) 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), 19), 20), 22), 26), and 29) of paragraph (a) and subparagraph, 5) 6) and 7) 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) and 27) of paragraph (a) and subparagraph 6) 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), 20), 27), 28) and 29) of paragraph (a) and subparagraph 6) of paragraph (b) of this Article shall not apply to the application for the issuance of debt instruments or convertible debt instruments; and
- 5) the provisions of this Article shall not apply to capitalisation issues.

Article 30 : 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.
- b) Annex 9 of these Rules sets out the minimum information which must be included in a prospectus for shares.
- c) Annex 10 of these Rules sets out the minimum information which must be included in a prospectus for a rights issue.
- d) Annex 11 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.
- e) Annex 12 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) A prospectus for the offering of convertible debt instruments must contain the combined minimum information set out in Annex 12 of these Rules and the relevant information set out in Annex 10 of these Rules. .
- 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 31 : 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 month 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 the conversion of debt, provided that a shareholders' circular must be produced in accordance with Article 42 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 43 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.

Article 32 : Supplementary prospectus and supplementary circular

- a) The issuer must submit a supplementary prospectus or supplementary shareholders' circular (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 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 9 of these Rules, paragraph (7) of section (1) of Annex 10 of these Rules, paragraph (9) of section (1) of Annex 11 of these Rules, paragraph (9) of section (1) of Annex 12 of these Rules, paragraph (11) of section (1) of Annex 13 of these Rules or paragraph (11) of section (1) of Annex 14 of these Rules as the case may be;
 - 3) a declaration by the directors 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 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 capital markets of the Kingdom as a whole 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 33 : 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. 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.
- c) If, having reviewed the application, the Authority considers that the proposed offer of securities 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 to be made pursuant to the application may result in a breach of the Capital Market Law its Implementing Regulations or the Exchange Rules, the Authority shall 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. The issuer may, after obtaining the written approval of the Authority, make the final draft prospectus or shareholders circular (as applicable) available to such persons as the Authority may specify.

Article 34 : 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 general assembly meeting where an offering of a rights issue 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 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 as follows:
 - 1) in printed form, free of charge, at the offices of the Exchange, the issuer's registered office, the head office of the financial advisor, the offices of the financial advisor and the offices of any authorised persons whom are placing or selling the securities to which the prospectus relates; and
 - 2) in electronic form, on the websites of the issuer, the Exchange, the Authority and the financial advisor.
- e) Printed copies of the prospectus, the shareholders' circular, any supplementary prospectus or any supplementary circular (as applicable) must be made available in both Arabic and English free of charge and in sufficient numbers to satisfy public demand.
- f) 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;
 - 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 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 35 : 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.

Article 36 : Application to employee share schemes

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.

Article 37 : 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: CAPITAL ALTERATION

Chapter 1 – Capital Increase for Issuers of Listed Shares

Article 38 : Scope and application

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

Article 39 : 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, 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 40 : Conditions and requirements applicable to a rights issue

- a) In addition to any other applicable requirements under Article 29 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 the following conditions must be satisfied:
 - 1) details of the proceeds of any previous rights issues must be provided and such details must be compared with the disclosure made under the previous prospectus;
 - 2) details of any qualifications made in the audited financial statements for the preceding financial year must be provided; and
 - 3) no more than 25% of the total proceeds of the issuance can be used for general investment purposes.
- b) In each case of a deviation of 5% or more from the planned use of proceeds as set out in the relevant rights issue prospectus, this should be made known to the Authority

without delay and thereafter disclosed to the public before the opening of the next trading session.

Article 41 : 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 18 of these Rules.

Article 42 : Conditions and requirements applicable to a debt conversion

- a) In addition to any other applicable requirements under Article 29 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 13 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 43 : 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 29 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 submit to the Authority a market study of the sector in which the target company to be acquired operates or to which the asset to be purchased relates, detailing the latest relevant industry information and market trends; and
- 4) 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 14 of these Rules.
- 5) 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 44 : 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 19 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;
 - 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) disclosure of any related parties' contracts and transactions;
 - 4) pro forma financial statements reflecting the financial position of the issuer following the proposed reduction in share capital;
 - 5) the risk factors related to the proposed reduction in share capital;
 - 6) the proposed timing of the process; and
 - 7) 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.

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PART 6: CONTINUING OBLIGATIONS

Chapter 1 – Disclosures

Article 45 : Scope and application

The purpose of this Part is to regulate the continuing obligations of issuers whose securities are listed on the Main Market.

Article 46 : 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 47 : Obligation to disclose material developments

- a) An issuer must disclose 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) 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 48 : Disclosure of specific events

The issuer must disclose any of the following developments (regardless of whether or not they qualify as "material" under Article 47 of these Rules) immediately:

- 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;

- 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 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) 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;
- 18) the call for convening a general or special assembly and its agenda;
- 19) the outcome of the general or special assembly;
- 20) any proposed change in the capital of the issuer;
- 21) any decision to declare, recommend to declare or pay dividends or to make any other distributions to the holders of its listed securities;
- 22) any decision or a recommendation not to pay dividends which would otherwise have been expected to have been paid;
- 23) any decision to call, repurchase, draw, redeem or propose to buy any of its securities and the total amount and value thereof;
- 24) any decision not to make payment in respect of debt instruments or convertible debt instruments; or
- 25) any change in the rights attaching to any class of listed shares or to the debt instruments convertible to such shares.

Article 49 : Disclosure of financial information

- a) The 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. For the purposes of this Article:
 - 1) interim financial statements are deemed approved when they are (a) agreed 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 deemed approved when they comply with any applicable requirements under the Companies Law.
- 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 15 calendar days before the date of convening the issuer's annual general assembly.
- e) An issuer must ensure that the external auditor that audits its financial statements and any of its 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 audit firm's independence and the independence of any partner or employee of that firm.

Article 50 : 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 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. The board of directors' report must contain the required information pursuant to the Corporate Governance Regulations.

Article 51 : 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 52 : 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 53 : Dealings by substantial holders of shares, debt and convertible debt instruments

- a) Where a person is subject to one or more of the following events, the person must notify the Authority, the issuer and the Exchange at the end of the third trading day following the execution of the transaction or the occurrence of the relevant event:
- 1) becoming the owner of, or interested in, 5% or more of any class of voting shares or convertible debt instrument of the issuer;
 - 2) the ownership or interest of the person referred to in sub-paragraph (1) of paragraph (a) of this Article increasing or decreasing by 1% or more of the shares, or convertible debt instruments of the issuer. Except where the increase or decrease was a result of capitalisation issue, capital increase for acquiring a company or purchasing an asset, issuer's capital reduction, debt conversion or the issuance of rights issues where the person or any of the persons referred to in paragraph (b) of this Article did not trade or exercise their right to subscribe;
 - 3) a director, or member of the audit committee, or a senior executive of the issuer becoming the owner of, or interested in, any rights in the shares or convertible debt instruments of that issuer; and
 - 4) the ownership or interest of any of the directors, members of the audit committee or senior executives of the issuer increasing or decreasing by 50% or more in the shares or convertible debt instruments that he or she owns in that issuer, or by 1% or more of the shares or convertible debt instruments of that issuer whichever is less. Except where the increase or decrease was a result of capitalisation issue, capital increase for acquiring a company or purchasing an asset, issuer's capital reduction, debt conversion or the issuance of rights issues where the person or any of the persons referred to in paragraph (b) of this Article did not trade or exercise their right to subscribe.

- b) 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.
- c) The Authority may disseminate any notification that it receives under this Article.
- d) The notice referred to in paragraph (a) of this Article shall be in accordance with the form prepared by the Authority and 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;
 - 3) details of any loans or financial support for the ownership process that the person has received from any other persons; and
 - 4) the objective of the ownership or interest.
- e) In case of a change in the ownership or interest objective that was previously disclosed, the relevant person shall promptly notify the issuer and the Authority of such change and must not dispose of any shares or convertible debt instruments of that issuer except after the expiry of ten days from the date of that notification.
- f) Without prejudice to the provisions of this Article, a person who has become an owner of or interested in 30% or more of any class of shares or convertible debt instruments of the issuer, must not dispose of the same without the approval of the Authority. The Authority may impose certain restrictions on such a disposal and specify its method.

Article 54 : 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; and
 - 2) during the 30 calendar days preceding the end of the financial year and until the date of disclosing the issuer's reviewed interim financial statement or the disclosure of the issuer's audited annual financial statements.
- 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) Where a director, senior executive or an audit committee member of the issuer resigns during any of the periods referred to in paragraph (a) of this Article, this period (where applicable) shall apply to the resigning director or senior executive, and any of their associates.

Article 55 : Restrictions on shares

- a) The substantial shareholders mentioned in the prospectus must not dispose any of their shares during a period of six months from the date on which its trading in the shares of the issuer first commences on the Exchange, except where the issuer or the Authority stated a longer period in the prospectus.
- b) The Authority may require any person specified in the prospectus as owing shares in the issuer, other than substantial shareholders, to not dispose of their shares for a period of six months or longer where the Authority decides that this is for the protection of investors.
- c) If the registered owner specified in the prospectus 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.

- d) Shares granted to the persons described in paragraphs (a) and (b) 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), (b), and (c) of this Article is lifted.

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PART 7: PARALLEL MARKET OFFER

Article 56: Scope and application

- a) The purpose of this Part is to regulate the registration and offering of shares on the Parallel Market.
- b) Shares may not be offered in the Parallel Market unless all the requirements and conditions provided for in these Rules have been fulfilled.
- 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) In all cases, authorised persons shall ensure that their clients of qualified investors are aware of the risks involved in subscribing of shares offered in the Parallel Market, and obtain a written confirmation from them stating that they are informed of these risks prior to the subscription.

Article 57: 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 and these Rules.
- b) The issuer must provide details in writing of how its representatives may be contacted including office, mobile and fax telephone numbers, and electronic mail address.

Article 58: Appointment of advisors

- a) Where an issuer makes an application for registration and offering of shares in the Parallel Market that requires the production of a prospectus or shareholders' circular (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 (d) and (f) of Article 22 of these Rules, and the reference to Annex 16 shall be replaced with Annex 21.
- 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 issuer who is appointed pursuant to paragraph (a) of this Article, is subject to the obligations set out under paragraphs (e) of Article 22 of these 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 these Rules, the Capital Market Law and its Implementing Regulations, the Exchange Rules or the Companies Law and its Implementing Regulations.

Article 59: Approval of the issuer

An issuer may not make a Parallel Market offer of shares unless the issuer has obtained all necessary corporate approvals required pursuant to its bylaws, the Companies Law and its Implementing Regulations. This requirement shall not apply to the approval of the extraordinary general assembly to increase the issuer's capital provided that it must be issued in accordance with Article 69 of these Rules.

Article 60: Conditions for an issuer seeking approval to make a Parallel Market Offer

- a) An issuer applying to the Authority to register its shares and offer them by way of a Parallel Market Offer must meet the following conditions:
 - 1) The issuer must be a Saudi joint stock company or a joint stock company which the majority of its capital is owned by citizens of a member state of the Cooperation Council for the Arab States of the Gulf and enjoys a nationality of one of them.

- 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 audited financial statements that cover at least the preceding financial year which were prepared in accordance with the accounting standards adopted by SOCPA.
- b) Where an issuer already has securities that are listed on the Exchange, subparagraphs (2) and (3) of paragraph (a) of this Article shall not apply.
- c) An application for registration and offer of securities on the Parallel Market 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 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 61: Requirement to submit an application for registration and offer on the Parallel Market to the Authority

- a) An issuer seeking registration and offering 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 original copy (or certified copy where appropriate) of the following documents to the Authority with the application referred to in paragraph (a) of this Article (where applicable):
- 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 or the shareholders' circular (as applicable);
 - 3) a list containing the names and contact numbers of the persons concerned with the application and who work for the issuer, the financial advisor and the legal advisor (if any);

- 4) a formal letter of application for registration and offer in the Parallel Market, signed by a representative authorised to sign on behalf of the issuer in the form set out in Annex 6 of these Rules;
 - 5) a declaration by the issuer in the form set out in Annex 7 of these Rules.
 - 6) approvals required by the relevant governmental agencies;
 - 7) evidence of the issuer obtaining the required approvals under Article 59 of these Rules;
 - 8) the draft prospectus or shareholders' circular (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 audited financial statements or the issuer's audited consolidated financial statements (as applicable) for the financial year preceding the submission of the application;
 - 12) the latest interim financial statements;
 - 13) 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);
 - 14) a letter from the issuer's financial advisor in the form set out in Annex 21 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) an electronic copy of all the above mentioned documents; 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 (as applicable) and prior to the listing, the issuer must submit an

original copy (or certified copy where appropriate) of the following documents to the Authority:

- 1) the prospectus or the shareholders' circular (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.
 - 3) an updated and signed letter in the form set out in Annex 6 of these Rules; and
 - 4) an electronic copy of all of the above mentioned documents (where applicable).
- d) The issuer must retain copies of all documents required pursuant to this Article for a period not less than ten years from the completion of the offer, 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 or rights issue.
- 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.
- g) The provision of this Article shall not apply to the capitalisation issue.

Article 62: Dormant applications

The Authority may, at its absolute discretion, cancel an application for registration and offer 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.

Article 63: The Prospectus

- a) The Prospectus must contain the information set forth in Annex 20 of these Rules, and may contain additional information, provided that such information must be within the requirements set forth in Annex 9 of these Rules.
- b) The draft prospectus provided to the Authority shall be in Arabic.
- c) The draft prospectus 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 must indicate the draft number and the submission date on its cover page.
- d) The provisions of paragraphs (b) and (c) of this Article shall apply to the shareholders' circular produced pursuant to this Part.

Article 64: Issuances not requiring Prospectus or Shareholders' Circular

- 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.
 - 2) shares issued as a result of capitalisation issue.
 - 3) employees share scheme;

- 4) shares issued as a result of the conversion of debt, provided that a shareholders' circular must be produced in accordance with Article 72 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 73 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 65: Supplementary Prospectus and supplementary Shareholders' Circular

- a) The issuer must submit a supplementary prospectus or supplementary shareholders' circular (as applicable) to the Authority if at any time after the 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 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 shareholders' circular 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 (10) of section (1) of Annex 20 of these Rules or paragraph (2) of section (a) of Annex 22 of these Rules or paragraph (2) of section (a) of Annex 23 of these Rules (as applicable).
- c) Where a supplementary prospectus or supplementary shareholders' circular 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 66: Authority powers in relation to the application for registration and offer

The Authority shall review the application for registration and offer pursuant to the process described in Article 33 of these Rules, subject to the following:

- 1) Any reference to the application for listing shall be read as a reference to the application for listing on the Parallel Market.
- 2) The period referred to in paragraph (b) of Article 33 shall be 30 days from the day of receiving all information and documentation required pursuant to these Rules.
- 3) As an exception from paragraph (f) of Article 33, the issuer's financial advisor, before obtaining the Authority's approval on the Prospectus or Shareholders' Circular (as applicable), may present information on the issuer and its financial statements to a group of qualified investors without mentioning the issuer's name, to know to what extent investors wish to participate in the subscription for the issuer's shares once offered.

Article 67: 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 qualified investors at least 7 days prior to the start of the offering.

- b) 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 7 days prior to the relevant general assembly meeting.
- c) The prospectus, the shareholders' circular, any supplementary prospectus or any supplementary shareholders' circular (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 68: Dissemination of information

An issuer who is seeking to register and offer its securities in the Parallel Market or an issuer whose securities are listed on the Parallel Market is subject to the provisions of Article 35 of these Rules.

Article 69: Application submission for capital increase of issuers of shares listed in the Parallel Market

- a) 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, 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.
- b) An issuer must not issue shares of the same class as the shares that are listed on the Parallel Market for a period of six months following the date of the most recent listing of the shares.

Article 70: Conditions related to issuance of rights issue

- a) In addition to any other applicable requirements under Article 61 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 the following conditions must be satisfied:

- 1) details of the proceeds of any previous rights issues must be provided and such details must be compared with the disclosure made under the previous prospectus; and
 - 2) details of any qualifications made in the audited financial statements for the preceding financial year must be provided.
- b) The issuer shall not use more than 25% of the rights issue total proceeds for general investment purposes.

Article 71: 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 18 of these Rules.

Article 72: 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 73: Conditions related to capital increase for acquiring a company or purchasing an asset

- a) In addition to any other applicable requirements under Article 61 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 23 of these Rules.

Article 74: Capital reduction for issuers of shares listed on the Parallel Market

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 19 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) an external auditor's report on the reasons for the capital reduction and the impact of the capital reduction on the issuer's liabilities;
- 2) the proposed method of capital reduction and the expected effect of such reduction; and
- 3) any other documentation as may be required by the Authority.

Article 75: Conditions of transition to the Main Market

- a) If an issuer whose shares are listed on the Parallel Market seeks to list its shares on the Main Market, it must make an application for listing to the Main Market pursuant to Part 4 of these Rules and comply with all applicable requirements.
- b) An issuer whose shares are listed on the Parallel Market may only make an application for listing on the Main Market after two calendar years from the day on which its shares were listed on the Parallel Market.

Article 76: Continuing obligations

An issuer of securities listed on the Parallel Market must comply with Part 6 of these Rules subject to the following:

- 1) the issuer must disclose its interim financial statements or the consolidated interim financial statements (as applicable) 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.
- 2) 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.
- 3) The qualified investor is exempted from notifying the issuer if any of the cases set forth in paragraph (a) of Article 53 of these Rules applies to it.

- 4) Provisions of paragraphs (e) and (f) of Article 53 of these Rules shall not apply to qualified investors.
- 5) the "six months" period set forth in Article 55 of these Rules shall be replaced with "twelve months".

Article 77: 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.

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PART 8: PUBLICATION AND ENTRY INTO FORCE

Article 78: Publication and entry into force

These Rules shall become effective upon their publication.

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PART 9: ANNEXES

ANNEX 1

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 (if different from the offeror(s)), 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) 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;
- 4) The name and address of the authorised person whom the offer is made through;
- 5) The proposed start and end dates of the offer;
- 6) The class/classes of securities to be offered;
- 7) The price to be paid for each security offered (in SR);
- 8) The total offer size (in SR)
- 9) The number of offerees;
- 10) The number and types of securities previously issued by 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 issuer;

- 13) Whether the securities to be offered are identical or, where there are differences, details of these differences;
- 14) In case of limited offers, the names of all persons to whom the securities are to be offered; and
- 15) 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.

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ANNEX 2
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 (if different from the offeror(s)), its principal place of registration and the address of its principal place of the business, in addition to the number and types of debt or 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) The category of the issuer (for example: government, semi-government, central bank, bank, corporate, insurance, special purpose vehicle);
- 4) The sector in which the issuer 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 authorised person whom the offer is made through;
- 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) The number of offerees;

- 13) The number and types of securities, including any debt securities, previously issued by the issuer within the past 12 months;
- 14) The total number of securities to be offered plus the total number of securities already issued;
- 15) Whether the securities to be offered are identical or, where there are differences, details of these differences;
- 16) In case of limited offers, the names of all persons to whom the debt securities are to be offered; and
- 17) 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.

ANNEX 3
OFFEROR 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: _____

ANNEX 4

AUTHORISED PERSON'S DECLARATION

[To be provided on the authorised person's letterhead]

To: The Authority

We, _____ (*insert name of the "authorised person"*) (the authorised person), 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 authorised person: [the authorised officer]:

Name: _____

Signature: _____

Date: _____

ANNEX 5
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.”

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ANNEX 6
CONTENT OF APPLICATION

The application for registration and offer of securities 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.”

DRAFT

ANNEX 7
ISSUER'S DECLARATION

[To be provided on the Issuer's letterhead]

To: The Authority

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

- 1) has satisfied all the relevant conditions for approval of its application for registration and offer of securities 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 (as applicable) pursuant to the Capital Market Law and the Capital Market Authority's Rules on the Offer of Securities and Continuing Obligations (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 and admission for registration and offer of securities 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 (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. 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 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 (as applicable), unless we inform the Exchange, the Authority and the shareholders otherwise and obtain their approval for any alternative use. We further confirm that the financial information in the relevant prospectus or shareholders' circular (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: _____

Name: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

Name: _____

Signature: _____

Date: _____

ANNEX 8
DIRECTOR'S DECLARATION

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

I: 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 company, the nature of its business, dates of employment and the positions held).

II: Answer the following questions:

- 1) Are you a director of any other company or a partner in any partnership? If yes, state the name of any such company 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 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 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 from acting in the management or conduct of the affairs of any company? 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.

III: A declaration in the following form:

"I [*Insert Name*] being a director of [*state name of company*] 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: _____

ANNEX 9

CONTENT OF A PROSPECTUS FOR SHARES

Inclusion of information in the prospectus

A prospectus submitted as part of an application for registration and offer of securities 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. The

directors, whose names appear on page [], 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 and fax numbers, e-mail addresses, and the issuer’s website.
- 2) the contact information, including addresses, telephone and fax numbers, and website and e-mail addresses, for each of the parties listed below, 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 authorised person placing or selling the securities; and
 - (f) the issuer’s commercial banks.

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 organization 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 main categories of activity and by Saudization 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.

13. **Organisational structure**

This section must include the following information:

1) **Management**

- (a) the issuer's organizational 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 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.

2) **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 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 (e) of Article 24 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 15 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 consolidated 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 or an alteration in capital using external financing 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) 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 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 (h) of Article 24 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 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.

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, 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 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).
- 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.

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 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. **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.

25. **Subscription Declarations**

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

26. 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 (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) the valuation report of the issuer's securities;
- 5) all other reports, letters, documents or statements by any expert any part of which is extracted or referred to in the prospectus; and
- 6) the audited financial statements of the issuer and its subsidiaries (if applicable) and the consolidated 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.

27. External auditor's report

The issuer's consolidated 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.

ANNEX 10
CONTENT OF A PROSPECTUS FOR A RIGHTS ISSUE

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 (if applicable);
- 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. The directors, whose names appear on page [●], 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 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 and fax numbers, e-mail addresses, and the issuer's website.
- 2) the contact information, including addresses, telephone and fax numbers, and website and e-mail addresses, for each of the parties listed below, 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 authorised persons placing or selling the securities; and
 - (f) the issuer's commercial banks;

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- and post-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 9 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 use of the proceeds;
- 17) the number of offer shares underwritten;
- 18) the value of offer shares underwritten;
- 19) types of targeted investors;
- 20) the total number of offered shares available to each type of targeted investors;
- 21) the minimum number of shares to be subscribed for by each type of targeted investors;
- 22) the minimum value of shares to be subscribed for by each type of targeted investors;

- 23) the maximum number of shares to be subscribed for by each type of targeted investors;
- 24) the maximum value of shares to be subscribed for by each type of targeted investors;
- 25) allocation method and description of the process where an excess of subscription monies has been received for each type of targeted investors;
- 26) the offer period;
- 27) the rights to dividends;
- 28) voting rights;
- 29) restrictions on shares or rights;
- 30) a statement regarding whether or not there has been a prior listing of the issuer's shares; and
- 31) 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 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 (e) of Article 24 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 15 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 consolidated 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 or an alteration in capital using external financing 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 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 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 (h) of Article 24 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 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. **Dividend policy**

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

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; 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.

15. **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.

16. **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, 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 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).
- 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.

17. **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) 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.
- 5) 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.

18. **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.

19. **Expenses**

This section must include details of the aggregate offer expenses.

20. **Waivers**

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

21. **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.

22. **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.

23. Subscription Declarations

This section must include information on the subscription declarations, allocation process, and the Exchange's 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 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) the valuation report of the issuer's securities, if any;
- 4) any feasibility studies prepared in relation to the projects that will be financed from the proceeds of the offer;
- 5) all other reports, letters, documents or statements by any expert any part of which is extracted or referred to in the prospectus; and
- 6) the audited financial statements of the issuer and its subsidiaries (if applicable) and the consolidated 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.

ANNEX 11

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

Inclusion of information in the prospectus

A prospectus submitted for the approval of the Authority 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. The directors, whose names appear on page [●], 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 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 and fax numbers, e-mail addresses, and the issuer's website.
- 2) the contact information, including addresses, telephone and fax numbers, and website and e-mail addresses, for each of the parties listed below, 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 authorised persons placing or selling the securities.

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. **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.

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 organization 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 Saudization 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. **Organisational structure**

This section must include the following information:

- 1) **Management**
 - (a) the issuer's organizational 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 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.

13. **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 (e) of Article 24 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 15 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 consolidated 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 or an alteration in capital using external financing 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) 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 working capital statement in accordance with paragraph (h) of Article 22 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 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.

14. **Use of proceeds**

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

15. **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.

16. **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, 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 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).
- 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.

17. **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 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.

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 (12) 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 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 and its subsidiaries (if applicable) and the consolidated 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 consolidated reviewed 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.

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.

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ANNEX 12

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

Inclusion of information in the prospectus

A prospectus submitted for the approval of the Authority 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. The directors, whose names appear on page [●], 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 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 and fax numbers, e-mail addresses, and the issuer’s website.
- 2) the contact information, including addresses, telephone and fax numbers, and website and e-mail addresses, for each of the parties listed below, 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 authorised persons placing or selling 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 (e) of Article 24 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 15 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 consolidated 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 or an alteration in capital using external financing 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 working capital statement in accordance with paragraph (h) of Article 22 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 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, 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 offer 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).
- 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. **Expenses**

This section must include details of the aggregate offer expenses.

15. **Waivers**

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

16. **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.

17. **Subscription declarations**

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

18. **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 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 and its subsidiaries (if applicable) and the consolidated 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.

19. **External auditor's report**

The issuer's consolidated reviewed 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.

20. **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.

21. **Bylaws and other constitutional documents**

The issuer's bylaws.

ANNEX 13
CONTENT OF A CIRCULAR FOR A CAPITAL INCREASE BY DEBT
CONVERSION

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. The directors, whose names appear on page [], 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 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 authorized 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 and fax numbers, e-mail addresses, and the issuer’s website.
- 2) the contact information, including addresses, telephone and fax numbers, and website and e-mail addresses, for each of the parties listed below, 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.

- 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); and

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 are 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 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 14

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

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. The directors, whose names

appear on page [], 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 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 and fax numbers, e-mail addresses, and the issuer’s website.
- 2) the contact information, including addresses, telephone and fax numbers, and website and e-mail addresses, for each of the parties listed below, 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 the case may be) 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 the case may be);
- 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 extraordinary 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 utilized, 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 through cash and through 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) all material legal issues concerning the issuer have been disclosed in the circular;

- (d) 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;
 - (e) that there are no other material legal information within this section the omission of which would make any statement herein misleading; and
 - (f) (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 the 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 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) detailed market study including the latest information of the relevant industry and trends of the target company/asset to be acquired;
- 6) the valuation report;

- 7) the advisors consent letters to the use their names, logos and statements in the circular; and
- 8) 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 15
EXTERNAL AUDITOR'S REPORT

This Annex details the external auditor's report which is prepared pursuant to Annex 9 (Contents of a Prospectus for Shares), Annex 10 (Content of a Prospectus for a Rights Issue), Annex 11 (Contents of a Prospectus for Debt Instruments and Convertible Debt Instruments for an issuer without securities listed on the Exchange) and Annex 12 (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:
 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 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 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 will be material where the consideration due in respect of it is greater than 5% 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, where the external auditor's report on the consolidated 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 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.

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ANNEX 16

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")* in respect of the issuer's application for registration and offer of securities *(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 22 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 further confirms that it is independent of the issuer in accordance with the requirements in Article 22 of the Rules on the Offer of Securities and Continuing Obligations]* and 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 (including provisions regarding the prospectus) (including provisions regarding the shareholder circular) *[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 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.

[Signed]

[Dated]

ANNEX 17
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]* (“issuer”) in respect of the issuer’s application for registration and offer of securities *(please provide details of the securities)*. [In this regard we confirm that we are independent of the issuer and its financial advisor in accordance with the requirements in Article 21 of the Rules on the Offer of Securities and Continuing Obligations.]

We further refer to the draft prospectus / shareholders circular *[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. 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 *[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.]

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 *[use as applicable]* as at the date hereof.

[Signed]

[Dated]

ANNEX 18

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 and offer of the relevant securities.]

The letter shall contain the following information on the relevant issue (as applicable):

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; and
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.
10. Include a statement on the approval from the relevant regulatory authorities as well as a copy of this approval (where applicable).

[Signed]

[Dated]

ANNEX 19

FORM 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 on the relevant issue:

1. The nominal value of the issuer's listed share capital before and after the capital reduction.
2. The total number of shares issued before and after the capital reduction.
3. The ratio of remaining shares issued after the capital reduction to the number of shares issued 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 audited financial statements from which the valuations for 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.

ANNEX 20

CONTENT OF A PROSPECTUS FOR PARALLEL MARKET OFFERS

Inclusion of information in the Prospectus

A prospectus 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;
- 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 admission to listing 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 on page [], 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 and fax numbers, e-mail addresses, and the issuer's website.
- 2) the contact information, including addresses, telephone and fax numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the Prospectus has been attributed:
 - a) the financial advisor;
 - b) the external auditor; and
 - c) the authorised person placing or selling 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 organization 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. **Organisational structure**

This section must include the following information:

- 1) the issuer's organisational chart showing the directors structure, supervisory committees, and the functions of senior executives;
- 2) 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 executive or non-executive), in addition to the senior executives and the secretary of the board; and
- 3) 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, there has not been any commissions, discounts, brokerages or other non-cash compensation granted within the last year preceding the application for registration and admission to listing in connection with the issue or offer of any share by the issuer or any of its subsidiaries (if any).
- 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 admission to listing.
- 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 admission to listing 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) evaluation report of the issuer's securities;
- 4) all other reports, letters, documents, value assessments or statements prepared by any expert and any part of which is extracted or referred to in the Prospectus; and
- 5) the reviewed financial statements of the issuer and its affiliates (if applicable) and the recent interim financial statements.

21. External auditor's report

The issuer's consolidated audited 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.

ANNEX 21
FORM OF FINANCIAL ADVISOR'S LETTER WITH REGARDS TO AN
APPLICATION FOR REGISTRATION AND OFFER ON 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] (the "issuer") in respect of the issuer's application for registration and admission to listing of its shares [*please provide details of the shares*] in the Parallel Market, and in accordance with Article 58 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 admission to listing of its shares in the Parallel Market 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, including provisions related to the prospectus or shareholders' circulars (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 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 admission to listing of shares.

[to be signed and dated]

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ANNEX 22

CONTENTS OF SHAREHOLDERS'S CIRCULAR FOR A CAPITAL INCREASE OF A COMPANY WHICH SHARES ARE LISTED ON THE PARALLEL MARKET BY DEBT CONVERSION

- a) Cover page

This section must include the following information:

- 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 on page [], 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.”

- b) Description and structure of the transaction.
- c) Risk factors related to the transaction.
- d) Timeframe of the transaction.
- e) Key accounting items of the issuer's audited financial statements.

- f) Key accounting items for the pro-forma financial statements which reflect the issuer's condition following the capital increase.
- g) 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.
- h) 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.
- i) Related parties to the transaction.
- j) Any new proposed members of the board or the executive management in the issuer as a result of the transaction;
- k) 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.
- l) 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.

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ANNEX 23
**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**

- a) 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 on page [], 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.”

- b) Description and structure of the transaction.
- c) Risk factors related to the transaction.
- d) Timeframe of the transaction.
- e) Description of the targeted asset /company and the company's operations and industry.
- f) Key accounting items of the issuer's audited financial statements.
- g) Key accounting items of the audited financial statements (if any) for the targeted asset or company (as applicable).
- h) Key accounting items for the pro-forma financial statements which reflect the issuer's condition following the capital increase.
- i) Valuation of the asset or the company to be acquired;
- j) 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.

- k) Related parties to the transaction;
- l) Any new proposed members of the board or the executive management in the issuer as a result of the transaction;
- m) 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.
- n) 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.