



Saudi Stock Exchange (Tadawul)

Listing Rules

Approved by the Board of the Capital Market Authority Pursuant to its Resolution

Number (3-123-2017) Dated 9/4/1439H corresponding to 27/12/2017G

Arabic is the official language of the Saudi Stock Exchange

TABLE OF CONTENTS

PART 1 : GENERAL PROVISIONS	4
Article 1 : Preliminary provisions	4
Article 2 : Scope and application	4
Article 3 : Overriding listing requirements	4
Article 4 : Fees	5
PART 2 : LISTING CONDITIONS ON THE MAIN MARKET	6
Article 5 : Scope and application	6
Article 6 : General listing conditions for securities	6
Article 7 : Conditions relating to listing of shares	6
Article 8 : Conditions relating to listing of debt instruments	7
Article 9 : Condition relating to listing of convertible debt instruments	8
Article 10 : General conditions for cross listing of foreign issuers	8
Article 11 : Conditions relating to listing of units of investment funds	9
PART 3 : APPLICATIONS FOR LISTING	11
Article 12 : Scope and application	11
Article 13 : Application for listing	11
Article 14 : Required approvals to submit an application for listing of shares or debt instruments or convertible debt instruments	11
Article 15 : Appointment of representatives of the issuer	11
Article 16 : Supporting documents	12
Article 17 : Listing requirements for an entity subject of a Demerger transaction	13
Article 18 : Record keeping requirements	13
Article 19 : Listing of securities	14
Article 20 : Dormant applications	16
PART 4 : CAPITAL ALTERATION	17
Article 21 : Scope and application	17
Article 22 : Application submission for listing new securities of a class already listed and supporting documents	17
Article 23 : Tradable rights	17
Article 24 : Issuer's capital reduction	18

PART 5 : CONTINUING OBLIGATIONS	19
Article 25 : Scope and application	19
Article 26 : Obligation to make disclosures in accordance with applicable requirements	19
Article 27 : Obligation to disclose actions which may affect the price of the listed securities	19
Article 28 : Exchange power to request the provision/disclosure of further information or data	19
Article 29 : Means and form of disclosure	20
Article 30 : Timing of disclosure	21
Article 31 : Review of disclosure	21
PART 6 : HOLDINGS IN SECURITIES AND LOCK-UP PERIODS	22
Article 32 : Scope and application	22
Article 33 : Notification related to holdings in securities	22
Article 34 : Lock-up periods	23
PART 7 : CANCELLATION OF LISTING AND SUSPENSION OF TRADING	24
Article 35 : Scope and application	24
Article 36 : Power to suspend trading or cancel listing	24
Article 37 : Voluntary cancellation of listing	27
Article 38 : Temporary trading halt	28
PART 8 : LISTING ON THE PARALLEL MARKET	30
Article 39 : Scope and application	30
Article 40 : Eligibility for Trading in the Parallel Market	30
Article 41 : Conditions relating to listing of shares on the Parallel Market	30
Article 42 : Conditions to transfer to the Main Market	32
PART 9 : PUBLICATION AND ENTRY INTO FORCE	33
Article 43 : Publication and Entry into Force	33
PART 10: ANNEXES	34
Annex 1 Content of Application for Listing of Shares or Debt Instruments	34
Annex 2 Content of Application for Listing Units of a Real Estate Investment Traded Fund	38

Annex 3 Content of Application for Listing of Units of an Exchange Traded Fund	39
Annex 4 Form of Letter Required for Listing New Securities of a Class Already listed	40
Annex 5 Form of Letter Required for Capital Reduction	41

DRAFT

PART 1: GENERAL PROVISIONS

Article 1: Preliminary provisions

- a. Any reference to the “Capital Market Law” in these Rules shall mean the Capital Market Law issued by Royal Decree No. M/30 dated 2/6/1424H.
- b. Expressions and terms in these Rules have the meaning which they bear in the Capital Market Law and in the Glossary of Defined Terms Used in the Exchange Rules unless the contrary intention appears.
- c. Any person subject to these Rules may appeal to the Committee in respect of any decision or action that the Authority or the Exchange takes under these Rules.

Article 2: Scope and application

The purpose of these Rules is to regulate:

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

Article 3: Overriding listing requirements

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

- 1) debt instruments issued by the government of the Kingdom;
- 2) shares, in respect of which the issuer makes an application for listing on the Parallel Market and which have been offered by way of a parallel market offer;
- 3) shares, in respect of which the issuer makes an application to transfer to the Main Market pursuant to Article 42 of these Rules; and
- 4) any other case approved by the Authority.

Article 4: Fees

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

PART 2: LISTING CONDITIONS ON THE MAIN MARKET

Article 5: Scope and application

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

Article 6: General listing conditions for securities

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

Article 7: Conditions relating to listing of shares

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

After obtaining the approval of the Authority, the Exchange may permit a lower percentage or a lower number of shareholders if the Exchange deems that it is

appropriate to do so in view of the number of shares under the same class and its distribution to the public.

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

Article 8: Conditions relating to listing of debt instruments

- a. If the issuer has any of its securities already listed, the expected aggregate value of all debt instruments to be listed (or in the case of a debt issuance programme, each separate tranche) must be at least SR 50 million.
- b. If the issuer does not already have securities listed, the expected aggregate value of all debt instruments to be listed (or in the case of a debt instrument issuance programme, each separate tranche) must be at least SR 100 million.

- c. After obtaining the approval of the Authority, the Exchange may permit the listing of debt instruments of a lower value than the aggregate values stated in paragraphs (a) and (b) of this Article, provided that the Exchange is satisfied that there will be a sufficiently liquid market for the debt instruments concerned.
- d. Without prejudice to any lower aggregate value permitted under paragraph (c) of this Article, the requirements of paragraph (a) or (b) of this Article -as applicable- shall constitute a continuous obligation on the issuer.
- e. If the issuer at any time following having its debt instruments listed becomes aware that any of the requirements of paragraph (a) or (b) of this Article -as applicable- are no longer met, the issuer must immediately inform the Exchange and take the necessary remedial actions to ensure that the relevant requirements are met. The issuer shall keep the Exchange informed on any progress in respect of the remedial actions.

Article 9: Condition relating to listing of convertible debt instruments

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

Article 10: General conditions for cross listing of foreign issuers

- a. A foreign issuer whose securities are listed on another regulated exchange may apply for those securities to be listed on the Exchange. The Exchange may approve such a securities listing, provided that in consultation and with the agreement of the Authority, the offering and listing requirements applicable in the foreign issuer's jurisdiction of listing are at least equivalent to those of the Authority and the Exchange. For the purposes of this paragraph, the Authority and the Exchange may, in their absolute discretion, determine whether the offering and listing requirements are equivalent to those of the Authority and the Exchange or acceptable to them.
- b. A foreign issuer specified in paragraph (a) of this Article who has its securities listed on the Exchange is subject to these Rules and any other applicable rules and regulations as determined by the Authority and the Exchange from time to time.

- c. The Authority and the Exchange may, in line with these Rules and other Exchange Rules and the Implementing Regulations, exercise their respective discretions to approve or reject an application for listing of the securities of a foreign issuer on the Exchange.

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

- a. A fund manager may apply to list the units of the following types of investment funds:
 - 1) Real Estate Investment Traded Funds;
 - 2) Exchange Traded Funds; and
 - 3) Any other funds approved by the Authority.
- b. To list the units of a Real Estate Investment Traded Fund, the fund must be a closed-ended fund and there must be a sufficiently liquid market for the units that are the subject of the application for listing, as follows:
 - 1) there must be at least 50 public unitholders at the time of listing;
 - 2) the minimum amount to be raised must be at least SR 100 million;
 - 3) the nominal value per unit to be listed must be SR 10; and
 - 4) at least 30% of the total fund units are owned by public unitholders.
 - 5) the requirements set forth in subparagraphs (1) and (4) of this paragraph shall constitute a continuous obligation on the fund manager.
 - 6) If the fund manager at any time, following having its units listed, becomes aware that the requirements of subparagraphs (1) and (4) of this paragraph are no longer met, the fund manager must inform the Exchange immediately and take the necessary remedial actions to ensure that the relevant requirements are met. The issuer shall keep the Exchange informed on any progress in respect of the remedial actions.

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

DRAFT

PART 3: APPLICATIONS FOR LISTING

Article 12: Scope and application

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

Article 13: Application for listing

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

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

An issuer may not submit an application for listing of shares or debt instruments or convertible debt instruments without obtaining all approvals required pursuant to its bylaws, the Companies Law and its Implementing Regulations. This requirement shall not apply to the approval of the extraordinary general assembly to increase the issuer's capital, provided that it must be issued prior to listing the relevant securities. Where the issuer is a special purposes entity, the issuer may not submit an application for listing of securities without obtaining the approvals of the special purposes entity's board of directors and the sponsor's board of directors.

Article 15: Appointment of representatives of the issuer

- a. The issuer must appoint two representatives before the Exchange for all purposes relating to these Rules, one of whom must be a director and the other must be a senior

executive. Where the issuer is a special purposes entity, it must appoint two representatives from its directors before the Exchange for all purposes relating to these Rules. The sponsor must appoint two representatives before the Exchange for all purposes relating to these Rules, one of whom must be a director and the other must be a senior executive.

- b. The issuer must provide details in writing of how its representatives may be contacted including office and mobile numbers, electronic mail address and postal address, and details in writing of how the sponsor's representatives may be contacted where the issuer is a special purposes entity.
- c. The provisions of this Article shall not apply on the issuer if it is a fund manager.

Article 16: Supporting documents

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

- a. a formal application for listing signed by a representative of the issuer containing the following information and documents:
 - 1) the information and documents set out in Annex 1 of these Rules where the application is for listing shares or debt instruments. If the application is submitted pursuant to Article 22 of these Rules, it must be in the form set out in Annex 4 of these Rules.
 - 2) the information and documents set out in Annex 2 of these Rules where the application is for listing units of a Real Estate Investment Traded Fund.
 - 3) the information and documents set out in Annex 3 of these Rules where the application is for listing units of an Exchange Traded Fund.
- b. The issuer who submitted an application for listing of shares or debt instruments must provide the Exchange with the following information immediately upon obtaining the approval of the Authority on the application for registration and offer:
 - 1) the main activities of the issuer;

- 2) the issuer's logo;
 - 3) the authorised capital of the issuer;
 - 4) main contact details of the issuer;
 - 5) the end date of financial year of the issuer; and
 - 6) basic information of receiving banks, and the issuer's underwriter (if any), and the lead manager.
- c. The provisions of paragraph (b) of this Article shall not apply where the issuer already has any listed securities on the Exchange.

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

- a. The Demerger Entity will not be considered suitable for listing on the Exchange if its assets and operations are substantially the same as those of the existing issuer, taking into consideration the issuer's business, Demerged Entity's business or commercial reasons for listing.
- b. The issuer shall retain sufficient level of operations and assets to support its separate listing status following the listing of the Demerged Entity. The issuer is required to retain sufficient assets and operations of its own, in addition to its interest in the Demerged Entity.
- c. There should be a clear distinction between the business retained by the issuer and the business transferred or held by the Demerged Entity.
- d. The Demerged Entity should be able to function independently of the issuer, with its own independent executive management and administrative capability without requiring any support from the issuer, except for arrangements for the sharing of administrative and non-executive functions.

Article 18: Record keeping requirements

An issuer who is applying for listing of its securities must retain copies of all documents required by Article 16 of these Rules for a period of not less than ten years from the date the application for listing has been made. In the event such documents relate to any litigation or

claim (including any litigation pending or threatened) or any on-going investigations, the issuer must retain such documents until the closure of that litigation, claim or on-going investigation.

Article 19: Listing of securities

- a. The Exchange will approve the application for listing if the following conditions are satisfied:
 - 1) the application for listing is complete; and
 - 2) the issuer who is applying for listing meets all the relevant conditions for listing under these Rules.
- b. The Exchange will review an application for listing within ten days of receiving all information and documentation required under these Rules and must issue a decision in accordance with paragraph (d) of this Article.
- c. The Exchange may require the issuer or its representative to provide it with such additional information or documents that it considers relevant to the application for listing if, having reviewed the application for listing as specified in paragraph (b) of this Article and before issuing its decision in accordance with paragraph (d) of this Article, the Exchange considers that the proposed application for listing may not meet the requirements in paragraph (a) of this Article.
- d. The Exchange must issue its decision within the period specified in paragraph (b) of this Article by either:
 - 1) approving the application for listing of securities on a conditional basis subject to the issuer obtaining the Authority's approval of the relevant application for registration and offer under the applicable rules and regulations; or
 - 2) rejecting the application where the requirements in paragraph (a) of this Article are not met.

- e. If the Exchange grants a conditional approval for listing under paragraph (d) of this Article, then during the period from the Exchange's conditional approval being granted until the Authority's approval of the application for registration and offer under the applicable rules and regulations, the issuer must inform the Exchange of the following:
 - 1) any material event or change occurring in relation to the information submitted to the Exchange as part of the application for listing (including its supporting documents); and
 - 2) any other material facts that may be relevant to the Exchange or could otherwise cause the issuer's securities to become ineligible to be listed in accordance with these Rules.
- f. The Exchange may withdraw its conditional approval for listing at any time before the Authority approves the application for registration and offer under the applicable rules and regulations if, in its opinion, the issuer is no longer eligible to be listed in accordance with these Rules.
- g. In issuing its decision in respect of the application for listing, the Exchange shall promptly notify the issuer and the Authority in writing of its decision (as applicable):
 - 1) that the Exchange approved the listing of securities on a conditional basis pursuant to subparagraph (1) of paragraph (d) of this Article;
 - 2) that the Exchange rejected the application for listing pursuant to subparagraph (2) of paragraph (d) of this Article; or
 - 3) that the Exchange withdrew its conditional approval for listing pursuant to paragraph (f) of this Article.
- h. A conditional approval described in subparagraph (1) of paragraph (d) of this Article becomes final and unconditional upon the issuance of the Authority's approval of the relevant application for registration and offer of the relevant securities under the applicable rules and regulations and the receipt of such approval by the Exchange.

Article 20: Dormant applications

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

DRAFT

PART 4: CAPITAL ALTERATION

Article 21: Scope and application

The purpose of this Part is to set out:

- a. The conditions of, and requirements for listing shares or cancelling of shares as a result of an alteration in the capital of an issuer that already has listed securities on the Main Market.
- b. The conditions of, and requirements for listing units of a Real Estate Investment Traded Fund as a result of an alteration in the capital of a fund that already has listed units on the Main Market.

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

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

Article 23: Tradable rights

- a. Where an issuer wishes to make an application to list new shares of a class already listed by way of a rights issue, must specify the expected timeline of the offering process, including material steps and the periods thereof.
- b. Rights to shares that are the subject of a rights issue will be listed and traded on the Exchange during the trading period disclosed by the issuer in respect of the rights issue.

At the end of that period, listed rights to shares that are the subject of the rights issue shall be subject to a trading halt.

- c. Listed rights to shares that are the subject of a rights issue will be cancelled once the shares to which they relate to are listed.

Article 24: Issuer's capital reduction

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

PART 5: CONTINUING OBLIGATIONS

Article 25: Scope and application

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

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

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

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

Where an issuer wishes to vary its capital or take any other action which could lead to adjusting the price of the issuer's listed securities, it must disclose to the public the details of the consequences of such an action on the price of its listed securities.

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

- a. The Exchange may request an issuer in writing to provide certain information or data.
- b. The issuer must provide the requested information or data pursuant to paragraph (a) of this Article within the period, format, and means specified by the Exchange.
- c. Paragraphs (a) and (b) of this Article apply only to information and data required by the Exchange in connection with the performance of its functions under these Rules.
- d. The Exchange may require an issuer who has provided or produced information or data pursuant to this Article to disclose to the public such information or documents at the issuer's expense.

Article 29: Means and form of disclosure

- a. All notifications to the Exchange and disclosures to the public by an issuer must be in Arabic, the issuer may translate them to English, and must be made through the system specifically designated by the Exchange for such purpose.
- b. Arabic is the official language used to explain and interpret any and all notifications and disclosures. In case of any contradiction between the Arabic version and the English version, the Arabic version shall prevail.
- c. A disclosure to the public must identify clearly the issuer and the parties related to the disclosure, and the subject matter, the time and date of the disclosure in accordance with the Implementing Regulations and the Exchange Rules.
- d. Upon a request in writing, an issuer must be able to provide the Exchange with the following information relating to any disclosure to the public:
 - 1) the name of the individual who made the disclosure in question;
 - 2) the time and date on which the material information that is the subject of the disclosure was received or obtained by the issuer; and/or
 - 3) the mean in which the material information which is the subject of the disclosure was received or obtained by the issuer.
- e. The content of a disclosure to the public is a matter which must be determined by the issuer.
- f. Any disclosure must include a statement to the effect that the issuer accepts full responsibility for the accuracy of the information contained in it and confirms, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts or information the omission of which would make the disclosure misleading, incomplete or inaccurate.
- g. Neither the Authority nor the Exchange shall be responsible for the content of such disclosure, its accuracy or its completeness, and expressly disclaim any liability

whatsoever for any loss arising from, or incurred in reliance upon, any part of such disclosure.

Article 30: Timing of disclosure

Subject to Article 38 of these Rules, an issuer is required to make a disclosure to the public as soon as possible following the occurrence of an event that is required to be disclosed pursuant to these Rules or pursuant to any applicable continuing obligations set out in the Implementing Regulations and the Exchange Rules. In all cases, the disclosure has to be made before the start of the trading period that follows the occurrence of the relevant event.

Article 31: Review of disclosure

- a. Without prejudice to paragraphs (e),(f),(g) of Article 29 of these Rules, the Exchange will review any disclosure or report published by the issuer to ensure the following:
 - 1) the issuer's compliance with the Disclosure Forms to be followed when preparing the disclosure or the report required pursuant to the Capital Market Law, its Implementing Regulations and the Exchange Rules; and
 - 2) the issuer's compliance with the timing of the disclosure or the report pursuant to these Rules and the relevant regulations.
- b. The Exchange shall, when it becomes aware of the issuer's incompliance with the requirements set out in paragraph (a) of this Article, take the following actions:
 - 1) require the issuer to take any remedial actions (where applicable); and
 - 2) notify the Authority of the suspected breach in order for the Authority to take the appropriate steps.

PART 6: HOLDINGS IN SECURITIES AND LOCK-UP PERIODS

Article 32: Scope and application

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

Article 33: Notification related to holdings in securities

- a. A person required to notify its holding or interest in listed securities to the Exchange under the applicable regulations, must make such notification to the Exchange through the designated electronic system or any other means determined by the Exchange.
- b. A notification under paragraph (a) of this Article must be made by no later than the end of the third trading day following the execution of the transaction or the occurrence of the event in which the obligation to notify arose.
- c. The notification referred to in paragraph (a) of this Article must contain the information required as specified in the Rules on the Offer of Securities and Continuing Obligations.
- d. The Exchange shall, on a daily basis, publish an updated list which includes the name of any person who directly owns 5% or more of the issuer's listed shares.
- e. The Exchange shall, on a daily basis, publish an updated list which includes the direct ownership of directors, the CFO, and the CEO (or the highest executive position) in the issuer's listed shares.
- f. The Exchange shall disclose the ownership percentage of shareholders who are subject to the lock-up period, as specified in the prospectus, until the end of that period.

- g. The Exchange may publish any information relating to the holding or interest in securities of which it becomes aware. The Exchange shall not be liable for any publication it makes and where the Exchange publishes a notification received under paragraph (a) of this Article the relevant person will be fully liable for such notification.

Article 34: Lock-up periods

- a. The Centre shall restrict the disposal of shares held by shareholders who are subject to the lock-up period as specified in the prospectus.
- b. The Centre will automatically lift the restrictions on the shares as specified in paragraph (a) of this Article, after the end of the lock-up periods imposed by the Rules on the Offer of Securities and Continuing Obligations.
- c. The issuer must provide the Exchange with the details of its directors, audit committee members, senior executives, and any of their associates in accordance with the form prescribed by the Exchange. The Exchange will oversee their adherence to the lock-up periods imposed by the Rules on the Offer of Securities and Continuing Obligations.
- d. The Exchange shall, when it becomes aware that any person mentioned in paragraph (c) of this Article is not in compliance with the lock-up periods imposed by the Rules on the Offer of Securities and Continuing Obligations, notify the Authority of the suspected breach in order for the Authority to take the appropriate steps.

PART 7: CANCELLATION OF LISTING AND SUSPENSION OF TRADING

Article 35: Scope and application

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

Article 36: Power to suspend trading or cancel listing

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

- 6) in the case of cross listed securities, the listing of the foreign issuer's securities has been cancelled elsewhere;
 - 7) in respect of an Exchange Traded Fund, a Real Estate Investment Traded Fund, or any other funds listed in accordance with these Rules, the Authority believes that the custodian and/or the market maker (as applicable) failed in a manner which the Authority considers material to comply with the Capital Market Law, its Implementing Regulations and the Exchange Rules;
 - 8) upon the expiry of the fund in respect of an Exchange Traded Fund, a Real Estate Investment Traded Fund, and any other funds listed in accordance with these Rules;
 - 9) upon the expiry of term of debt instruments and convertible debt instruments;
 - 10) upon the announcement of a reverse takeover containing insufficient information about the proposed transaction. If the issuer announces sufficient information regarding the Target, and the Authority is satisfied, following the issuer's announcement, that there will be sufficient information available for the public about the proposed transaction of the reverse takeover, the Authority may decide not to suspend at this stage; or
 - 11) upon the leakage of information of the proposed transaction of the reverse takeover, and the issuer is unable to assess accurately its financial position and unable to inform the Exchange accordingly.
- b. The suspension of trading pursuant to paragraph (a) of this Article may be lifted by considering:
- 1) whether the events which led to the suspension have been sufficiently remedied, and whether the suspension is no longer necessary for the protection of investors;
 - 2) whether the lifting of the suspension is not likely to interrupt the normal operation of the Exchange; and
 - 3) the issuer's compliance with any other conditions imposed by the Authority.

- c. The Exchange will suspend the trading of the issuer's securities in any of the following circumstances:
- 1) upon the issuer's noncompliance with the disclosure of its periodic financial information within the specified period pursuant to the Rules on the Offer of Securities and Continuing Obligations until they are disclosed;
 - 2) when the auditor's report on the financial statements of the issuer includes an adverse opinion or a disclaimer of opinion until such opinion or disclaimer is removed;
 - 3) in respect of an Exchange Traded Fund, a Real Estate Investment Traded Fund, or any other funds listed in accordance with these Rules, when the auditor's report on the financial statements of the fund includes an adverse opinion or a disclaimer of opinion until such opinion or disclaimer is removed;
 - 4) if the liquidity requirements set out in Part 2 and Part 8 of these Rules are not satisfied after the lapse of the period determined by the Exchange to the issuer to rectify its position, unless the Authority agrees otherwise;
 - 5) if the trading of the foreign issuer's securities has been suspended elsewhere, in case of cross listed securities, until such suspension is lifted in the other exchange; or
 - 6) upon a resolution issued by the extraordinary general assembly of the issuer reducing the issuer's capital for the two trading days following the issuance of the resolution.
- d. The Exchange may at any time propose to the Authority to suspend the trading of any listed security or cancel its listing where in its opinion it is likely that any of the circumstances of paragraph (a) of this Article to occur.
- e. An issuer whose securities are subject to a listing suspension must continue to comply with the Capital Market Law, its Implementing Regulations and the Exchange Rules.
- f. Where the suspension of an issuer continues for six months without the issuer taking appropriate action to resolve the reasons that lead to the suspension, the Authority may cancel that issuer's listed securities.

- g. Upon completion of a reverse takeover by the issuer, the listing of the issuer's shares shall be cancelled. Should it wish to re-list its shares, the issuer must submit a new application for listing in accordance with these Rules and comply with applicable requirements under the Rules on the Offer of Securities and Continuing Obligations.
- h. This Article shall not prejudice the suspension of trading and cancellation of listing resulting from the losses of the company pursuant to relevant Implementing Regulations and Exchange Rules.

Article 37: Voluntary cancellation of listing

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

- c. An issuer must only obtain the consent of its extraordinary general assembly to cancel a listing after the Authority has approved that cancellation, and the consent of the special assembly for the debt instruments holders if the issuer is a special purposes entity.
- d. Where a cancellation is made at the issuer's request, the issuer must make a disclosure to the public as soon as possible. This disclosure must include at least the reason for cancellation and the nature of the event resulting in the cancellation and the extent to which it affects the issuer's activities.
- e. In respect of an Exchange Traded Fund, a Real Estate Investment Traded Fund, or any other funds listed in accordance with these Rules, where a cancellation is made at the issuer's request, the issuer must make a disclosure to the public as soon as possible. This disclosure must include at least the reason for cancellation and the nature of the event resulting in the cancellation and the extent to which it affects the fund's activities.

Article 38: Temporary trading halt

- a. An issuer may request from the Exchange a temporary trading halt upon the occurrence of an event that occurs during trading hours which requires immediate disclosure under the Capital Market Law, its Implementing Regulations and the Exchange Rules and the issuer cannot maintain the confidentiality of this information until the end of the trading period, the trading halt of that issuer's securities will be made by the Exchange immediately upon receiving the request.
- b. Where a trading halt is made at the issuer's request, the issuer must disclose to the public as soon as possible the reason for the trading halt, the anticipated period of the trading halt and the event that has led to it and the extent to which it affects the issuer's activities.
- c. In respect of an Exchange Traded Fund, a Real Estate Investment Traded Fund, or any other funds listed in accordance with these Rules, where a trading halt is made at the issuer's request, the issuer must disclose to the public as soon as possible the reason for the trading halt, the anticipated period of the trading halt and the event that has led to it and the extent to which it affects the fund's activities.

- d. The Authority may impose a trading halt without a request from the issuer where the Authority becomes aware of information or circumstances affecting the issuer's activities which the Authority considers would be likely to interrupt the operation of the Exchange or the protection of investors. An issuer whose securities are subject to a trading halt must continue to comply with the Capital Market Law, its Implementing Regulations or the Exchange rules.
- e. In respect of an Exchange Traded Fund, a Real Estate Investment Traded Fund, or any other funds listed in accordance with these Rules, the Authority may impose a trading halt without a request from the issuer where the Authority becomes aware of information or circumstances affecting the fund's activities which the Authority considers would be likely to interrupt the operation of the Exchange or the protection of investors. An issuer whose units are subject to a trading halt must continue to comply with the Capital Market Law, its Implementing Regulations or the Exchange rules.
- f. The Exchange may propose that the Authority exercise its powers under paragraph (d) of this Article if it becomes aware of information or circumstances affecting the issuer's activities which the Exchange considers would be likely to interrupt the operation of the Exchange or the protection of investors.
- g. In respect of an Exchange Traded Fund, a Real Estate Investment Traded Fund, or any other funds listed in accordance with these Rules, the Exchange may propose that the Authority exercise its powers under paragraph (e) of this Article if it becomes aware of information or circumstances affecting the fund's activities which the Exchange considers would be likely to interrupt the operation of the Exchange or the protection of investors.
- h. A trading halt will be lifted at the end of the period referred to in the disclosure specified in paragraph (b) of this Article, unless the Authority or the Exchange decides otherwise.

PART 8: LISTING ON THE PARALLEL MARKET

Article 39: Scope and application

- a. This Part aims to regulate the listing of shares on the Parallel Market and state the obligations on issuers of listed shares on the Parallel Market.
- b. In addition to the provisions set out under this Part, except for Article 7 of these Rules, the provisions of Parts (2) and (3) of these Rules, applies to an issuer seeking listing of its shares on the Parallel Market.
- c. In addition to the provisions set out under this part, the provisions of parts (4), (5), (6) and (7) of these rules applies to issuers of listed shares on the Parallel Market.

Article 40: Eligibility for Trading in the Parallel Market

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

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

- a. The issuer must be a joint stock company.
- b. There must be a sufficiently liquid market for the shares that are the subject of the application for listing on the Parallel Market as follows:

- 1) there are at least 50 public shareholders at the time of listing; and
- 2) at least 20% of the class of shares that are the subject of the application will be owned by the public at the time of listing.

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

- c. Without prejudice to any lower percentage or lower number of shareholders permitted under paragraph (b) of this Article, the requirements of paragraph (b) of this Article shall constitute a continuous obligation on the issuer.
- d. If the issuer, at any time following having its shares listed, becomes aware that any of the requirements of paragraph (b) of this Article are no longer met, it must immediately inform the Exchange and take the necessary remedial action to ensure that the relevant requirements are met, in accordance with the period determined by the Exchange, after consultation with the Authority. The issuer shall keep the Exchange informed on any progress in respect of the remedial actions.
- e. Where none of the shares of a particular class are listed on the Parallel Market, the application for listing on the Parallel Market must relate to all shares of that class issued or proposed to be issued. If the shares of that class are already listed on the Parallel Market, the application must include all further shares of that class which are proposed to be issued.
- f. Except where shares of the same class are already listed on the Parallel Market, at the date of listing on the Parallel Market the expected aggregate market value of all shares to be listed must be at least SR 10 million. After obtaining the approval of the Authority, the Exchange may allow the listing of shares of a lower aggregate market value if the Exchange is satisfied that there will be a sufficiently liquid market for the shares concerned.

Article 42: Conditions to transfer to the Main Market

- a. If an issuer whose shares are listed on the Parallel Market seeks to transfer to the Main Market, it must make an application to the Exchange pursuant to Part 3 of these Rules and comply with all requirements applicable on companies listed on the Main Market.
- b. An issuer whose shares are listed on the Parallel Market may only make an application to transfer to the Main Market after two calendar years from the day on which its shares were listed on the Parallel Market.

DRAFT

PART 9: PUBLICATION AND ENTRY INTO FORCE

Article 43: Publication and Entry into Force

These Rules shall be effective as per its approval resolution.

DRAFT

PART 10: ANNEXES

Annex 1

Content of Application for Listing of Shares or Debt Instruments

First:

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

1. Shares

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

2. Debt instruments and convertible debt instruments

- Number
- Class
- Nominal value (SR)
- Redemption value (SR)
- Total nominal value of the debt instruments (SR)

3. Ownership of shares

- Number of holders of shares
- Number of shares
- Directors of the issuer

- Substantial shareholders
- Shares in public hands
- Shares in hands of employees
- Shares in hands of directors

4. Type of issue for which application is being made

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

Second:

The application must contain an authorisation in the form below:

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

Third:

The application must contain a declaration in the form below:

“To: The Saudi Stock Exchange

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

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

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

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

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

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

Signed on behalf of the issuer: the directors

Name: _____

Name: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

Name: _____

Signature: _____

Date: _____

Fourth:

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

DRAFT

Annex 2

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

First:

- 1) details of the fund manager (and any third parties involved in the Fund);
- 2) expected size of the fund (in number of units and value in SR);
- 3) nominal value of units;
- 4) proposed term of the fund;
- 5) any offering document used for the offering of the units;
- 6) a description of the fund dissolution process; and
- 7) an electronic copy of all documents submitted pursuant to this Annex.

Second:

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

Annex 3

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

First:

- 1) details of the fund manager (and any third parties involved in the fund including the market maker);
- 2) expected size of the fund (in number of units and value in SR);
- 3) nominal value of units;
- 4) a description of the index including its components; and
- 5) an electronic copy of all the documents provided pursuant to this Annex.

Second:

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

Annex 4

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

The issuer must provide the Exchange with a letter to obtain the Exchange's approval for listing. The letter shall be named, signed and dated and contain the following information on the proposed capital increase (as applicable):

First:

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

Second:

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

Third:

After obtaining the approval of the extraordinary general assembly for capital increase, the issuer shall update this Annex and submit it immediately to the Exchange.

Annex 5

Form of Letter Required for Capital Reduction

The issuer must notify the Exchange through a signed and dated letter of any capital reduction, which shall contain the following information as applicable:

First:

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

Second:

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