



Draft Amendments to the Rules on the Offer of Securities and Continuing Obligations for Public Consultation

A) Introduction:

As part of the Capital Market Authority's ("CMA") strategic objectives to regulate and develop the capital market, and based on the Capital Market Law issued by Royal Decree No. (M/30) dated 2/6/1424 H, the CMA Board issued its resolution to publish the draft amendments to the Rules on the Offer of Securities and Continuing Obligations ("Draft Amendments") for public consultation for a period of (45) calendar days.

B) Objectives of the Draft Amendments:

The Draft Amendments aim to regulate the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, develop the regulatory framework for convertible debt instruments, and regulate the issuance of exchangeable debt instruments.

C) Proposed amendments to the Rules on the Offer of Securities and Continuing Obligations to Regulate the Registration of Debt Instruments Offered by way of Private Placement for the Purpose of Direct Listing on the Exchange in comparison with the current provisions:

| # | Current Provisions | Provisions after Proposed Amendments | Clarification (If any) |
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| 1) | <p>PART 3: Private Placement Offer</p> <p>...</p> | <p>PART 3: Private Placement Offer</p> <p>...</p> <p>Chapter Two: Registration of Debt Instruments Offered by way of Private Placement for the Purpose of Direct Listing on the Exchange</p> <p>Article 15: Registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange This chapter aims to regulate the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange in the Kingdom.</p> <p>Article 16: Requirement to comply with the Listing Rules An offeror may not register debt instruments offered by way of private placement for the purpose of direct listing on the Exchange without making prior arrangements for listing those securities on the Exchange in accordance with the Listing Rules.</p> <p>Article 17: Required Approvals The issuer may not register debt instruments offered by way of private placement for the purpose of direct listing on the Exchange without obtaining all approvals required pursuant to the issuer's bylaws and the Companies Law and its Implementing Regulations, and ensure that there are no restrictions preventing their registration and direct listing. In case of</p> | <p>The proposed provisions in the Draft Amendments included the addition of a new chapter titles "Registration of Debt Instruments Offered by way of Private Placement for the Purpose of Direct Listing on the Exchange" within Part 3 (Private Placement Offer) of the Rules on the Offer of Securities and Continuing Obligations. The aforementioned chapter includes proposed provisions that aim to regulate the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange; this includes the following:</p> <ol style="list-style-type: none"> 1. Stipulating the approvals required from the Issuer to register debt instruments offered by way of private placement for the purpose of direct listing on the Exchange. 2. Stipulating the requirements relating to the issuer's appointment of advisors, including the requirements for a financial advisor and a legal advisor and their obligations. 3. Stipulating the conditions for registering debt instruments offered by way of private placement for the purpose of direct listing on the Exchange. 4. Stipulating the requirements for the application submitted to the Authority for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, including the required supporting documents. 5. Stipulating the information |



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| | | <p>registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by a special purposes entity, the debt instruments offered by way of private placement may not be registered unless the approval of the board of special purposes entity and the sponsor's board.</p> <p>Article 18: Appointment of representatives of the issuer</p> <p>a) The issuer must appoint two representatives, one of whom must be a director and the other must be a senior executive, to act as its representatives before the Authority for all relevant purposes relating to the Capital Market Law, the Companies Law, their Implementing Regulations, other relevant laws and these Rules. In case where the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is made by a special purposes entity, such entity and the sponsor shall appoint representatives for each of them, to attend before the authority in matters related to these Rules, provided that the entity's representatives shall be from the board members, while the sponsor's representatives are a board member and a senior executive.</p> <p>b) The issuer must provide details in writing of how its representatives may be contacted including office, mobile number, and electronic mail address, in addition to written details regarding the methods of contacting the sponsor's representatives if the offer was made by a special purposes entity.</p> <p>c) The issuer and its representatives, referred to in paragraph (a) of this Article, must provide the Authority, without delay, with all the information, clarifications, books, records and forms that the Authority requests from them, for the purpose of implementing the Capital Market Law, the Companies Law, their Implementing Regulations, other relevant laws and these Rules.</p> | <p>required in the registration document for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange and the supplementary registration document, as well as the requirements relating to their publication.</p> <p>6. Stipulating the Authority's powers towards the application to register debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.</p> <p>7. Stipulating the requirements relating to the continuous obligations on the issuer who submits an application for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, from the date of the listing thereof.</p> |



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| | | <p>Which must be complete, clear, correct, and not misleading.</p> <p>Article 19: Appointment of advisors</p> <p>a) Where an issuer makes an application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, the issuer must appoint a financial advisor and a legal advisor.</p> <p>b) The issuer of debt instruments offered by way of private placement that were listed by way of direct listing on the Exchange must appoint a financial advisor and a legal advisor when submitting an application for the voluntary cancellation of listing pursuant to the Listing Rules.</p> <p>c) The Authority may, at any times, require the issuer to appoint a financial advisor and\ legal advisor or both, or any other advisors, to advise the issuer on the application of the Capital Market Law, its Implementing Regulations, the Exchange Rules, the Companies Law or its Implementing Regulations.</p> <p>d) Where a financial advisor or a legal advisor gives advice to an issuer in relation to the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange or any matter related to the application of these Rules, the Capital Market Law, its Implementing Regulations or the Exchange Rules, it must ensure that it gives appropriate advice in accordance with the rules of its profession.</p> <p>Article 20: Requirements and obligations of the financial advisor</p> <p>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.</p> <p>b) Upon an application to the Authority of an issuer for</p> | |



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| | | <p>registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, the financial advisor must:</p> <ol style="list-style-type: none"> 1) be the main point of contact for the Authority in relation to the application. 2) satisfy itself, having conducted due diligence and made enquiry from the issuer and its advisors, that the issuer has satisfied all conditions required for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange and has satisfied all other relevant requirements; 3) provide to the Authority any information or clarifications in such form and within such time limit as the Authority may require for the purpose of verifying whether the financial advisor and the issuer have complied with the Capital Market Law, its Implementing Regulations or the Exchange Rules; and 4) provide the Authority with a letter in the form set out in Annex 16 of these Rules. <p>c) If matters which should be taken into account by the Authority come to the attention of the financial advisor during the period between the provision of the letter described in subparagraph (4) of paragraph (b) or subparagraph (4) of paragraph (d) of this Article (as applicable) and the completion of direct listing of the debt instruments offered by way of private placement, the financial advisor must notify the Authority thereof without delay.</p> <p>d) In the event that the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is made by a special purpose entity, the financial advisor shall, upon submitting an application to the Authority for the registration of debt instruments offered by way of private placement for the purpose</p> | |



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| | | <p>of direct listing on the Exchange, comply with the following:</p> <ol style="list-style-type: none"> 1) To be the main point of contact with the Authority in relation to the application. 2) Ensure, after performing due diligence, and ask the special purposes entity, the sponsor and their advisors, that the sponsor and the special purposes entity have met all the conditions required to register the entity's debt instruments offered by way of private placement for the purpose of direct listing on the Exchange and any other related requirements. 3) provide any information or clarifications to the Authority as required within the time limit set by it for the purpose of verifying the compliance of the financial advisor, sponsor and special purposes entity of the Capital Market Law and its Implementing Regulations and Exchange Rules. 4) Submit a letter to the Authority as contained in Annex 16(a) of these Rules. <p>Article 21: Requirements and obligations of the legal advisor</p> <ol style="list-style-type: none"> a) The legal advisor must be licensed to practice law in the Kingdom. b) On an application of an issuer for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, the legal advisor to the issuer must provide the Authority with a letter in the form set out at Annexes 17 or 17(a) of these Rules. <p>Article 22: Conditions for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange</p> <p>The conditions for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange are:</p> <ol style="list-style-type: none"> 1) The issuer must be a joint stock company. | |



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| | | <p>2) Any application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange must be accompanied by a registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.</p> <p>3) When submitting an application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, the issuer must have been carrying on, either by itself or through one or more of its subsidiaries, the same main activity for at least the previous three years before submitting the application.</p> <p>4) When submitting an application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, the issuer must have audited financial statements that cover at least the previous three financial years and that were prepared in accordance with the accounting standards adopted by SOCPA.</p> <p>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 of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, it shall submit to the Authority a reviewed interim financial statements covering any period from the date of the end of the period covered by the latest audited financial statements until the expected date of approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, or submit audited annual financial statements (as applicable). In all cases, the</p> | |



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| | | <p>period covered by the latest audited interim financial statements submitted to the Authority shall not have ended more than (6) months before the date of approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.</p> <p>6) Where the issuer has undergone material restructuring, an application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange may not be submitted until one financial year has elapsed from the date of completion of that material restructuring. For the purposes of this paragraph, "material restructuring" shall mean:</p> <ul style="list-style-type: none"> a. disposing any of the issuer's asset that has contributed in generating 30% or more of the issuer's revenue or net income as per the most recent annual financial statements; b. acquiring assets with a value exceeding 30% or more of the net asset value of the issuer as per the most recent annual financial statements; c. acquiring a company with a shareholder equity constituting 30% or more of the issuer's shareholder equity as per the most recent annual financial statements. <p>7) The senior executives of the issuer must have an appropriate expertise and experience for the management of the issuer's business.</p> <p>8) If reviewed interim financial statements are issued during the application period, the issuer must provide a copy of such statements to the Authority as soon as reasonably practicable.</p> <p>9) Where the registration of debt instruments offered by way of private placement for the</p> | |



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| | | <p>purpose of direct listing on the Exchange is made by a special purposes entity, the issuer must be a special purposes entity authorised in accordance with the Rules for Special Purposes Entities.</p> <p>10) Where the request to register the debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is made for debt instruments that have been or will be offered within a debt instrument issuance program, the issuer shall prepare a single registration document that covers the maximum amount of debt instruments that have been or will be offered by way of private placement within the program.</p> <p>11) Debt instruments offered by way of private placement may not be registered for the purpose of direct listing on the Exchange unless the maturity date of the debt instruments that are the subject of the registration application is at least one calendar year after the date of the Authority's approval of the application.</p> <p>12) An application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange may be accepted if it does not meet the requirements of this Article if the Authority is satisfied that it will be in the interest of the investors and that investors have received the necessary information to arrive at an informed judgment concerning the issuer and the debt instruments that are the subject of the application.</p> <p>13) Where an issuer already has securities that are listed on the Exchange, paragraphs (3), (4), (5), (6) and (8) of this Article shall not apply.</p> <p>14) Where the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is by a special</p> | |



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| | | <p>purposes entity, paragraphs (3), (4), (5), (6) and (7) of this Article shall apply only on the sponsor.</p> <p>15) Where the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by a special purposes entity, paragraph (8) of this Article shall apply on the special purposes entity and the sponsor.</p> <p>Article 23: Requirement to submit an application for registration to the Authority An issuer seeking to register debt instruments offered by way of private placement for the purpose of direct listing on the Exchange must submit an application to the Authority which contains the information required under these Rules, and submit to the Exchange, at the same time, an application for listing of such securities in accordance with the provisions of the Listing Rules.</p> <p>Article 24: Supporting documents</p> <p>a) The issuer, or the sponsor if the issuer is a special purposes entity, must submit to the Authority with its application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange electronic copies of the following documents (it shall maintain original copies of such documents and submit it to the Authority at its request):</p> <ol style="list-style-type: none"> 1) the letter of appointment of the financial advisor; 2) the letter of appointment of the legal advisor; 3) the authorization letters or powers of attorney of the representatives of the issuer empowering them to sign the registration document for registering debt instruments offered by way of private placement for the purpose of direct listing on the Exchange. 4) the issuer's employees list providing the contact details involved with the application at the issuer, in addition to the details of the financial advisor | |



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| | | <p>and the legal advisor;</p> <p>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;</p> <p>6) a formal letter of application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, signed by a representative of the issuer that contains the applicable information as required by Annex 6 of these Rules;</p> <p>7) a declaration by the issuer in the form set out in Annex 7 of these Rules, and in case the issuer is a special purposes entity, a declaration by the sponsor in the form set out in Annex 7(a) of these Rules;</p> <p>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, and in case the issuer is a special purposes entity, a declaration and undertaking signed by the directors of the sponsor and by each proposed director of the sponsor in the form set out in Annex 8(a) of these Rules;</p> <p>9) approvals required by the relevant governmental agencies, where applicable;</p> <p>10) evidence of the issuer obtaining the required approvals as required under Article 17 of these Rules;</p> <p>11) the draft registration document for registering debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, in Arabic;</p> <p>12) the issuer's certificate of commercial registration, or equivalent;</p> <p>13) the issuer's articles of association and bylaws and all amendments to date, and in case the issuer is a special</p> | |



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| | | <p>purposes entity, the sponsor's articles of association and bylaws and all amendments to date;</p> <p>14) the audited annual financial statements of the issuer for each of the three financial years immediately preceding submission of the application;</p> <p>15) the latest interim financial statements produced since the date of the most recent audited annual financial statements;</p> <p>16) a presentation detailing the structure of the issuer and its subsidiaries, along with a detailed description of the most recent restructuring of the issuer (if applicable);</p> <p>17) the letters of consent from all the advisors on the use of their names, logos and statements in the registration document;</p> <p>18) a letter from the financial advisor and the issuer setting out the inapplicable requirements, if no disclosure requirements under these Rules are applicable;</p> <p>19) a letter from the issuer's financial advisor in the form set out in Annex 16 of these Rules, and in case the issuer is a special purposes entity, a letter from the entity's financial advisor in the form set out in Annex 16(a) of these Rules;</p> <p>20) a letter from the issuer's legal advisor in the form set out in Annex 17 of these Rules, and in case the issuer is a special purposes entity, a letter from the issuer's legal advisor in the form set out in Annex 17(a) of these Rules;</p> <p>21) a copy of the debenture agreement or any other document constituting or securing such instruments must be included;</p> <p>22) in case the issuer is a special purposes entity, the agreement governing the finance with the sponsor;</p> <p>23) in case the issuer is a special purposes entity, the agreement with the custodian (where</p> | |



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| | | <p>applicable);</p> <p>24) in case the issuer is a special purposes entity, any agreement governing the special purposes entity's investment or management; and</p> <p>25) any other documentation that may be required by the Authority.</p> <p>b) Following the approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by the Authority and prior to the direct listing, the issuer, or the sponsor if the issuer is a special purposes entity, must submit an electronic copy (and shall maintain the original copies for submission at the Authority's request) of the following documents:</p> <p>1) A registration document for registering debt instruments offered by way of private placement for the purpose of direct listing on the Exchange in Arabic signed on every page by the representatives of the issuer who are appointed as authorised signatories;</p> <p>2) the latest reviewed interim financial statements (where applicable).</p> <p>c) Following the approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by the Authority, and after the completion of the offering of each tranche of a debt issuance program but prior to the listing thereof, the following requirements must be complied with:</p> <p>1) the issuer must submit the following documents to the Authority:</p> <p>a. a guiding pricing supplement for each tranche under the program, signed by a duly authorised representative of the issuer, as soon as the issuer submits it to the Exchange for consideration under the Listing Rules;</p> | |



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| | | <p>b. the issuer's written confirmation that the debt instruments in question have been offered in accordance with the provisions of this Part.</p> <p>2) The guiding pricing supplement of each tranche under the program must include details in respect of the issue, maturity and redemption dates (if any) of the debt instruments offered as well as the pricing details; and</p> <p>3) the guiding pricing supplement must provide the terms and conditions of the issue, in addition to those set out in the private placement offering documents related to the debt instrument issuance program.</p> <p>d) The issuer, or the sponsor if the issuer is a special purposes entity, must retain original copies (or certified copy where appropriate) of all documents required pursuant to this Article for a period not less than ten years from the completion of the direct listing of debt instruments offered by way of private placement. Without prejudice to this period, in the event such documents relate to any litigation or claim (including any litigation pending or threatened) or any on-going investigations, the issuer must retain such documents until the closure of that litigation, claim or on-going investigation.</p> <p>e) If the issuer has its securities already listed on the Exchange, subparagraphs (5), (12), (13), (14), (15), (16) of paragraph (a), and subparagraph (2) of paragraph (b) of this Article shall not apply to the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.</p> <p>f) In case the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is made by a special purposes entity:</p> <p>1) Subparagraphs (3), (4), (5), (10), (14), (15), (18), and (20) of paragraph (a),</p> | |



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| | | <p>subparagraphs (1) and (2) of paragraph (b), and paragraph (d) of this Article shall apply to the sponsor in addition to the special purposes entity.</p> <p>2) Subparagraph (17) of paragraph (a) of this Article shall apply only to the sponsor.</p> <p>Article 25: Registration document for registration of debt instruments offered by way private placement for the purpose of direct listing on the Exchange</p> <p>a) a) The registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange must contain all information which is necessary to enable an investor to make an assessment of the activities, assets and liabilities, financial position, management and prospects of the issuer and its profits and losses, and must include information in relation to the number and price of the debt instruments and any obligations, rights, powers and privileges attaching to them. If the Issuer is a special purposes entity, the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange shall include all information necessary to enable the investor to evaluate the activity, assets and liabilities of the special purposes entity, in addition to the sponsor's assets, liabilities, financial position, management and prospects of the issuer and its profits and losses, and it shall include information on the number and price of debt instruments offered by way of private placement that it wishes to list and any obligations, rights, powers and privileges associated with them.</p> <p>b) b) Annex (*) of these Rules sets out the minimum information which must be included in the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange if</p> | |



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| | | <p>issuer does not have securities listed on the Exchange.</p> <p>c) c) Annex (*) of these Rules sets out the minimum information which must be included in the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange where that issuer has securities currently listed on the Exchange and continues to have them listed throughout the registration and listing process.</p> <p>Article 26: Supplementary Registration Document</p> <p>a) A supplementary registration document must be submitted to the Authority if, at any time after the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange has been published and before completion of the direct listing, the issuer, and the sponsor in relation to issuance of debt instruments by a special purposes entity, becomes aware that:</p> <ol style="list-style-type: none"> 1) there has been a significant change in material matters contained in the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange; 2) additional significant matters have become known which would have been required to be included in the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange. <p>b) A supplementary registration document must contain the following (as applicable):</p> <ol style="list-style-type: none"> 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 (7) of section (1) of Annex (*) of these Rules, or paragraph (9) of section (1) of Annex (*) of these Rules (as applicable). 3) a declaration by the directors, | |



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| | | <p>and the sponsor's directors if the issuer is a special purposes entity, that there have been no significant changes in material matters nor additional significant matters have arisen other than what has been disclosed in the supplementary registration document; and</p> <p>4) a declaration by the directors, and the sponsor's directors if the issuer is a special purposes entity, that a copy of the supplementary registration document has been submitted to the Authority.</p> <p>c) Where a supplementary registration document is submitted to the Authority under this Article, it must be signed on every page by the relevant representatives of the issuer who are appointed as authorised signatories.</p> <p>d) Where a supplementary registration document is submitted to the Authority under this Article, the information contained therein must be complete and fulfils the requirements of the Capital Market Law, its Implementing Regulations and the Exchange Rules. If the information supplied suggests to the Authority that the proposed direct listing of debt instruments offered by way of private placement may not be in the interest of the investors or may result in a breach of the Capital Market Law, its Implementing Regulations or the Exchange Rules, then it may cancel its approval of the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.</p> <p>e) The supplementary registration document must not be published or otherwise made available to the public without obtaining the approval of the Authority.</p> <p>Article 27: Authority powers in relation to the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange</p> | |



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| | | <p>a) The approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange will only be given by the Authority if:</p> <ol style="list-style-type: none"> 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 subparagraph (1) of this paragraph has not been withdrawn by the Exchange; and 3) the Authority is satisfied that the information contained in the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is complete and fulfils the requirements of the Capital Market Law and its Implementing Regulations. <p>b) The Authority will review the application within 20 days of receiving all information and documentation required pursuant to these Rules. The commencement of the period is not subject to the Authority's receipt of the notification referred to in subparagraph (1) of paragraph (a) of this Article provided that the notification must be submitted to the Authority prior to the end of the review period, otherwise the Authority may extend the review period for a term not exceeding 10 days from the date of receipt of the notification.</p> <p>c) If, having reviewed the application, the Authority considers that the proposed registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange may not be in the interest of the investors or may result in a breach of the Capital Market Law, its Implementing Regulations or the Exchange Rules, then it may take any of the following actions:</p> | |



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| | | <p>1) carry out any enquiries which it considers appropriate;</p> <p>2) require the issuer or its representative to appear before the Authority to answer questions and explain any matters that the Authority considers relevant to the application. In case the issuer is a special purposes entity, the Authority may require the entity or its representative and the issuer or its representative to appear before the Authority to answer questions and explain any matters that the Authority considers relevant to the application;</p> <p>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</p> <p>4) defer making a decision for such period as may be reasonably necessary to carry out further study or examination.</p> <p>d) If, having taken action pursuant to paragraph (c) of this Article, the Authority determines that approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange may not be in the interest of the investors or may result in a breach of the Capital Market Law its Implementing Regulations or the Exchange Rules, the Authority may issue a "notification" to the issuer stating that the application has not been approved.</p> <p>e) The approval of the application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by the Authority shall be considered as an approval of the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange.</p> <p>f) The registration document for debt</p> | |



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| | | <p>instruments offered by way of private placement for the purpose of direct listing on the Exchange must not be published and made available to the public without the approval of the application for registration.</p> <p>Article 28: Publication of the registration document and formal notices</p> <p>a) The issuer must publish the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange and must ensure that it is made available to the public at least 14 days prior to the direct listing of those instruments.</p> <p>b) The registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange or the supplementary registration document (as applicable) shall be made available to the public on the websites of the issuer, the Exchange, the Authority and the financial advisor.</p> <p>c) Where an issuer has published a disclosure after the publication of the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange in a local newspaper, the disclosure must contain at least the following (if applicable):</p> <ol style="list-style-type: none"> 1) the name and commercial registration number of the issuer, and in case the issuer is a special purposes entity; the name and commercial registration number of the entity and the name and commercial registration number of the sponsor; 2) the debt instruments that are the subject of the relevant application for registration of debt instruments offered by way of private placement, and their value, type and class; 3) the addresses and locations where the public may obtain the registration document for debt instruments offered by | |



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| | | <p>way of private placement for the purpose of direct listing on the Exchange;</p> <p>4) the date of the registration document for debt instruments offered by way of private placement for the purpose of direct listing on the Exchange;</p> <p>5) a statement that the disclosure is for information only and does not constitute an invitation to acquire or purchase the debt instruments;</p> <p>6) the names of the financial advisor, legal advisor and receiving agents; and</p> <p>7) 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.”</p> <p>Article 29: Dissemination of information An issuer who is seeking to register debt instruments offered by way of private placement for the purpose of direct listing on the Exchange or the issuer of debt instruments offered by way of private placement that have been direct listed is subject to the provisions of Article 34 of these Rules.</p> <p>Article 30: Continuing obligations The continuing obligations contained in Part Seven of these Rules shall apply to the issuer who submitted an application for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange from the date of direct listing of the debt instruments that are the subject of the application.</p> <p>Article 31: Dormant applications The Authority may, at its absolute discretion, cancel an application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the</p> | |



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| | | <p>Exchange where such application has in the opinion of the Authority remained dormant. The effect of such cancellation is that if the issuer then wishes to register the same debt instruments that are the subject of the cancelled application, it must make a new application in accordance with the process set out in these Rules.</p> <p>Article 32: Fees</p> <p>a) An issuer who submits an application for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange is required to pay such fees to the Authority as the Authority specifies.</p> <p>b) An issuer whose securities are registered and have been listed is required to pay such fees to the Authority as the Authority specifies.</p> | |
| 2) | <p>Annex 7 ISSUER'S DECLARATION <i>[To be provided on the Issuer's letterhead]</i></p> <p>To: The Authority We, being directors of _____ (<i>insert name of "issuer"</i>) (referred to hereinafter as "the issuer"), hereby jointly and severally declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) the issuer:</p> <p>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;</p> <p>2) has included all the information required to be included in the prospectus or shareholders' circular [<i>use as applicable</i>] pursuant to the Capital Market Law and the Rules on the Offer of</p> | <p>Annex 7 ISSUER'S DECLARATION <i>[To be provided on the Issuer's letterhead]</i></p> <p>To: The Authority We, being directors of _____ (<i>insert name of "issuer"</i>) (referred to hereinafter as "the issuer"), hereby jointly and severally declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) the issuer:</p> <p>1) has satisfied all the relevant conditions for approval of its application for registration and offer of securities or its application for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [<i>use as applicable</i>] and all other relevant requirements of the Capital Market Law its Implementing Regulations and the Exchange Rules;</p> <p>2) has included all the information required to be included in the prospectus or</p> | <p>The proposed provisions in the Draft Amendments included a requirement for the Issuer to include a declaration by the issuer in the supporting documents for the application to register debt instruments offered by way of private placement for the purpose of direct listing on the Exchange. The proposed amendments aim to stipulate the required form for such declaration.</p> |



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| | <p>Securities and Continuing Obligations; and</p> <p>3) has or will supply all the documents required by the Rules on the Offer of Securities and Continuing Obligations.</p> <p>We confirm that there are no other facts bearing on the issuer's application for registration and offer of securities which in our opinion should have been disclosed to the Authority. We further confirm that we:</p> <p>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;</p> <p>2) have understood the nature of our responsibilities and obligations as directors of a company whose securities are listed; and</p> <p>3) have understood in particular what is required of us to enable holders of the listed securities and the public to appraise the issuer.</p> <p>We acknowledge that the issuer's securities will be entitled to remain listed only if the issuer and securities comply with the applicable requirements of the Rules on the Offer of Securities and Continuing Obligations and in the Listing Rules. We hereby jointly and severally undertake and agree to comply with the Capital Market Law and applicable regulations and rules from time to time issued by the Authority and in particular undertake and agree to comply with the continuing obligations vis-à-vis the Authority set out in the relevant Part of the Capital Market Law and the Rules on the Offer of Securities and Continuing Obligations and the Companies Law. We further jointly and severally undertake to use our best endeavours to procure that the issuer shall also comply with the Capital Market Law, the Companies Law, the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations, as well as other rules from</p> | <p>shareholders' circular or registration document for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable] pursuant to the Capital Market Law and the Rules on the Offer of Securities and Continuing Obligations; and</p> <p>3) has or will supply all the documents required by the Rules on the Offer of Securities and Continuing Obligations.</p> <p>We confirm that there are no other facts bearing on the issuer's application for registration and offer of securities or application for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable] which in our opinion should have been disclosed to the Authority. We further confirm that we:</p> <p>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;</p> <p>2) have understood the nature of our responsibilities and obligations as directors of a company whose securities are listed; and</p> <p>3) have understood in particular what is required of us to enable holders of the listed securities and the public to appraise the issuer.</p> <p>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</p> | |



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| | <p>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.</p> <p>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 <i>[use as applicable]</i>, unless we obtain the general assembly's approval for any alternative use. We further confirm that the financial information in the relevant prospectus or shareholders' circular <i>[use as applicable]</i> 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").</p> <p>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.</p> <p>Signed on behalf of the issuer: the directors Name: _____ _____ Signature: _____ _____ Date: _____ _____ Name: _____ _____ Signature: _____ _____ Date: _____ _____ Name: _____ _____</p> | <p>particular undertake and agree to comply with the continuing obligations vis-à-vis the Authority set out in the relevant Part of the Capital Market Law and the Rules on the Offer of Securities and Continuing Obligations and the Companies Law. We further jointly and severally undertake to use our best endeavours to procure that the issuer shall also comply with the Capital Market Law, the Companies Law, the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations, as well as other rules from time to time issued by the Authority. We acknowledge the power of the Authority to suspend or cancel the listing of the issuer's securities and to take other actions in accordance with its rules.</p> <p>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 <i>[use as applicable]</i>, unless we obtain the general assembly's approval for any alternative use <i>[use as applicable]</i>. We further confirm that the financial information in the relevant prospectus or shareholders' circular <i>or registration document for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable]</i> 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").</p> <p>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.</p> <p>Signed on behalf of the issuer: the directors Name: _____ _____ Signature: _____ _____ Date: _____ _____</p> | |



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| | <p>Signature: _____ _____</p> <p>Date: _____ _____</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].</p> | <p>Date: _____ _____</p> <p>Name: _____ _____</p> <p>Signature: _____ _____</p> <p>Date: _____ _____</p> <p>Name: _____ _____</p> <p>Signature: _____ _____</p> <p>Date: _____ _____</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].</p> | |
| 3) | <p style="text-align: center;">ANNEX 7A</p> <p style="text-align: center;">SPONSOR'S DECLARATION</p> <p>To: The Authority We, being directors of _____ (insert name of sponsor) ("the sponsor"), hereby jointly and severally declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) the sponsor:</p> <p>1. has satisfied all the relevant conditions for registration and admission to listing and all other</p> | <p style="text-align: center;">ANNEX 7A</p> <p style="text-align: center;">SPONSOR'S DECLARATION</p> <p>To: The Authority We, being directors of _____ (insert name of sponsor) ("the sponsor"), hereby jointly and severally declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) the sponsor:</p> <p>1. has satisfied all the relevant conditions for registration and admission to listing <u>or application</u></p> | <p>The proposed provisions in the Draft Amendments included a requirement to include a declaration by the Sponsor in the supporting documents for the application to register debt instruments offered by way of private placement for the purpose of direct listing on the Exchange (if the application was submitted by a special purposes entity). The proposed amendments aim to stipulate the required form for such declaration.</p> |



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| | <p>relevant requirements of the Capital Market Law and the Exchange Rules;</p> <p>2. has included all the information required to be included in the prospectus pursuant to the Capital Market Law and Rules on the Offer of Securities and Continuing Obligations; and</p> <p>3. has or will supply all the documents required by the Capital Market Law and Rules on the Offer of Securities and Continuing Obligations.</p> <p>We confirm that there are no other facts bearing on the issuer's application for registration and admission to listing which in our opinion, should have been disclosed by the sponsor to the Authority. We further confirm that we:</p> <p>1. have read and understood the Capital Market Law and the Listing Rules of the Saudi Capital Market ("Listing Rules") and the Rules on the Offer of Securities and Continuing Obligations;</p> <p>2. have understood the nature of our responsibilities and obligations as directors of a sponsor; and</p> <p>3. have understood in particular what is required of us to enable holders of the listed securities and the public to appraise the issuer and the sponsor.</p> <p>We acknowledge that the issuer's securities will be entitled to remain listed only if the securities comply with the applicable requirements of the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations, and the special purposes entity and the sponsor compliance with these requirements. We hereby jointly and severally undertake and agree to comply with the Capital Market Law, the Listing Rules, the Rules on the Offer of Securities and Continuing Obligations and other rules issued from time to time by the Authority. We, in particular, undertake and agree to comply with the continuing obligations to the Authority, as set out in the relevant part of the Capital Market Law,</p> | <p>for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable] and all other relevant requirements of the Capital Market Law and the Exchange Rules;</p> <p>2. has included all the information required to be included in the prospectus or registration document for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable] pursuant to the Capital Market Law and Rules on the Offer of Securities and Continuing Obligations; and</p> <p>3. has or will supply all the documents required by the Capital Market Law and Rules on the Offer of Securities and Continuing Obligations.</p> <p>We confirm that there are no other facts bearing on the issuer's application for registration and admission to listing or application for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange which in our opinion, should have been disclosed by the sponsor to the Authority. We further confirm that we:</p> <p>1. have read and understood the Capital Market Law and the Listing Rules of the Saudi Capital Market ("Listing Rules") and the Rules on the Offer of Securities and Continuing Obligations;</p> <p>2. have understood the nature of our responsibilities and obligations as directors of a sponsor; and</p> <p>3. have understood in particular what is required of us to enable holders of the listed securities and the public to appraise the issuer and the sponsor.</p> <p>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</p> | |



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| | <p>the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations. We further jointly and severally undertake to use our best efforts to ensure that the special purposes entity and the sponsor also comply with the Capital Market Law, the Listing Rules, the Rules on the Offer of Securities and Continuing Obligations and other rules issued from time to time by the Authority. We acknowledge the power of the Authority to suspend or cancel the listing of the special purposes entity's securities and to take any other actions in accordance with its rules.</p> <p>We jointly and severally confirm that the funds raised through the offer of any securities shall be utilised in accordance with the purposes disclosed in the relevant prospectus, unless we inform the Authority and the shareholders otherwise and obtain their approval for any alternative use. We further confirm that the financial information in the relevant prospectus has been obtained, without any material adjustment, from the audited financial statements and that such financial statements have been prepared and audited in accordance with the (auditing standards).</p> <p>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.</p> <p>Signed on behalf of the sponsor: the directors Name: _____ Name: _____ Signature: _____ Signature: _____ Date: _____ Date: _____</p> <p>Name: _____ Signature: _____ Date: _____</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of</p> | <p>of Securities and Continuing Obligations, and the special purposes entity and the sponsor compliance with these requirements. We hereby jointly and severally undertake and agree to comply with the Capital Market Law, the Listing Rules, the Rules on the Offer of Securities and Continuing Obligations and other rules issued from time to time by the Authority. We, in particular, undertake and agree to comply with the continuing obligations to the Authority, as set out in the relevant part of the Capital Market Law, the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations. We further jointly and severally undertake to use our best efforts to ensure that the special purposes entity and the sponsor also comply with the Capital Market Law, the Listing Rules, the Rules on the Offer of Securities and Continuing Obligations and other rules issued from time to time by the Authority. We acknowledge the power of the Authority to suspend or cancel the listing of the special purposes entity's securities and to take any other actions in accordance with its rules.</p> <p>We jointly and severally confirm that the funds raised through the offer of any securities shall be utilised in accordance with the purposes disclosed in the relevant prospectus, unless we inform the Authority and the shareholders otherwise and obtain their approval for any alternative use <i>[use as applicable]</i>. We further confirm that the financial information in the relevant prospectus <i>or relevant registration document [use as applicable]</i> has been obtained, without any material adjustment, from the audited financial statements and that such financial statements have been prepared and audited in accordance with the (auditing standards).</p> <p>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.</p> <p>Signed on behalf of the sponsor: the directors</p> | |



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| | <p>a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].</p> | <p>Name: _____ Name: _____ Signature: _____ Signature: _____ Date: _____ Date: _____ Name: _____ Signature: _____ Date: _____ [This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].</p> | |
| 4) | <p style="text-align: center;">ANNEX 15 EXTERNAL AUDITOR'S REPORT</p> <p>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.</p> <p>1) Contents of external auditor's report:</p> | <p style="text-align: center;">ANNEX 15 EXTERNAL AUDITOR'S REPORT</p> <p>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) and Annex (*) (Contents of a Registration Document for Registration of Debt Instruments Offered by way of Private Placement for an Issuer Without Securities Listed on the Exchange) 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.</p> | <p>The proposed provisions in the Draft Amendments stipulated the cases where a report by an external auditor must be prepared, within the information that must be contained in the registration document for the registration of debt instruments offered by way of private placement for an issuer without securities listed on the Exchange. The proposed amendments aim to stipulate the required form for such report.</p> |



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| | <p>a) The report must cover the issuer and its subsidiaries (if applicable).</p> <p>b) The report must be extracted from the audited financial statements and adjusted as considered necessary by the reporting external auditor.</p> <p>c) The report must be prepared in accordance with the accounting standards issued by SOCPA.</p> <p>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:</p> <ol style="list-style-type: none"> 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. <p>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.</p> <p>f) If the opinion in paragraph (e) above is qualified, the report must refer to all material</p> | <p>1) Contents of external auditor's report:</p> <p>a) The report must cover the issuer and its subsidiaries (if applicable).</p> <p>b) The report must be extracted from the audited financial statements and adjusted as considered necessary by the reporting external auditor.</p> <p>c) The report must be prepared in accordance with the accounting standards issued by SOCPA.</p> <p>d) The report must include the following financial information, presented in a form consistent with that which is adopted in the issuer's annual financial statements, and must cover the three financial years immediately preceding the application for registration and offer of securities subject to the relevant prospectus or the application for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange subject to the relevant registration document [use as applicable]:</p> <ol style="list-style-type: none"> 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. | |



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| | <p>matters about which the external auditor has reservations, give all reasons for the qualifications and, if both relevant and practicable, quantify its effect.</p> <p>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.</p> <p>2) Statement of adjustments</p> <p>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.</p> <p>3) Material acquisitions and disposals made during the period under review</p> <p>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</p> | <p>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.</p> <p>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.</p> <p>g) In the event that the issuer is applying for registration and offer of the securities or applying for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable] for the first time, the report must not contain any qualification unless the Authority is satisfied that the qualification is acceptable to the Authority and has been adequately explained so as to enable the investors to make a proper and appropriate assessment of the significance of the matter that is the subject of the qualification.</p> <p>2) Statement of adjustments</p> <p>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</p> | |



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| | <p>classified as material by the Authority, financial information on the undertaking or assets must be given covering the last three years. An acquisition or disposition will be material where the consideration due in respect of such acquisition or disposition is greater than 15% of the net book value of the existing net assets of the issuer and its subsidiaries (if applicable).</p> <p>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.</p> <p>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.</p> <p>In the case of a new application for registration and offer of securities, where the external auditor's report on the audited financial statements for the last three financial years of any undertaking acquired by the issuer during the period under review has been qualified, the issuer will be regarded as unsuitable for registration and offer of the securities 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.</p> | <p>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.</p> <p>3) Material acquisitions and disposals made during the period under review</p> <p>a) Where the issuer has acquired at any time during the three financial years immediately preceding the application for registration and offer of securities or application for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable] that are subject to the report, an undertaking or assets which would be classified as material by the Authority, financial information on the undertaking or assets must be given covering the last three years. An acquisition or disposition will be material where the consideration due in respect of such acquisition or disposition is greater than 15% of the net book value of the existing net assets of the issuer and its subsidiaries (if applicable).</p> <p>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.</p> <p>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.</p> <p>In the case of a new application for registration and offer of securities or</p> | |



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| | | <p>application for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable], where the external auditor's report on the audited financial statements for the last three financial years of any undertaking acquired by the issuer during the period under review has been qualified, the issuer will be regarded as unsuitable for registration and offer of the securities or registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable] unless the Authority is satisfied that the qualification has been adequately explained so as to enable the investors to make a proper and appropriate assessment of the significance of the matter that is the subject of the qualification.</p> | |
| 5) | <p style="text-align: center;">ANNEX 16 FORM OF A FINANCIAL ADVISOR'S LETTER</p> <p style="text-align: center;"><i>[To be provided on the financial advisor's letterhead]</i></p> <p>To: The Authority In our capacity acting as the financial advisor to (<i>please insert the name of the "issuer"</i>) (referred to hereinafter as "issuer") in respect of the issuer's application for registration and offer of securities (<i>please provide details of the securities</i>) / capital increase by way of a debt conversion (<i>please provide details of the debt conversion</i>) [use as applicable], and in accordance with Article 21 of the Rules on the Offer of Securities and Continuing Obligations, we [<i>please insert the name of the financial advisor</i>] 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. [<i>please insert the financial advisor name</i>] further confirms that it has, to the best of its knowledge and within its capacity as financial advisor, provided to the</p> | <p style="text-align: center;">ANNEX 16 FORM OF A FINANCIAL ADVISOR'S LETTER</p> <p style="text-align: center;"><i>[To be provided on the financial advisor's letterhead]</i></p> <p>To: The Authority In our capacity acting as the financial advisor to (<i>please insert the name of the "issuer"</i>) (referred to hereinafter as "issuer") in respect of the issuer's application for registration and offer of securities or registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable] (<i>please provide details of the securities</i>) / capital increase by way of a debt conversion (<i>please provide details of the debt conversion</i>) [use as applicable], and in accordance with Article 21 of the Rules on the Offer of Securities and Continuing Obligations, we [<i>please insert the name of the financial advisor</i>] 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. [<i>please insert</i></p> | <p>The proposed provisions in the Draft Amendments included the requirements for a financial advisor and their obligations, which include submitting a letter to the Authority. The proposed amendments aim to stipulate the required form for such letter.</p> |



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| | <p>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.</p> <p>In particular, [please insert the financial advisor name] confirms that:</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> 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 | <p><i>the financial advisor name</i>] further confirms that it has, to the best of its knowledge and within its capacity as financial advisor, provided to the Authority any information or clarifications in such form and within such time limit as the Authority required for the purpose of verifying whether [please insert the financial advisor name] and the issuer have complied with the Capital Market Law, Listing Rules and the Rules on the Offers of Securities and Continuing Obligations.</p> <p>In particular, [please insert the financial advisor name] confirms that:</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> a) the issuer has satisfied all relevant requirements for the registration and offer of securities or registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable] (including provisions regarding the prospectus) (including provisions regarding the shareholder circular) (including provisions regarding the registration document for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange) [use as applicable]; b) the directors of the issuer have established adequate | |



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| | <p>the application for registration and offer of securities have been disclosed to the Authority.</p> <p>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 <i>[use as applicable]</i>.</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].</p> | <p>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</p> <p>c) that all matters known to <i>[please insert the financial advisor name]</i> which should be taken into account by the Authority when considering the application for registration and offer of securities <i>or the application for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable]</i> have been disclosed to the Authority.</p> <p>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 <i>or application for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange (as applicable) [use as applicable]</i>.</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].</p> | |



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| 6) | <p style="text-align: center;">ANNEX 16(A) FORM OF A FINANCIAL ADVISOR'S LETTER</p> <p><i>[To be provided on the legal advisor's letterhead]</i></p> <p>To: The Authority In our capacity acting as the financial advisor to (please insert the name of the "special purposes entity") (referred to hereinafter as "special purposes entity") in respect of the special purposes entity's application for registration and offer of securities (please provide details of the securities) in accordance with Article 21 of the Rules on the Offer of Securities and Continuing Obligations, we [please insert the name of the financial advisor] confirm, to the best of our knowledge, and through conducting due diligence and making enquiries of the special purposes entity, the sponsor and their advisors, that the issuer and the sponsor have satisfied all conditions required for registration and offer of securities and has satisfied all other matters required by the Capital Market Authority (the "Authority") as of the date of this letter. [please insert the financial advisor name] further confirms that it has, to the best of its knowledge and within its capacity as financial advisor, provided to the Authority any information or clarifications in such form and within such time limit as the Authority required for the purpose of verifying whether [please insert the financial advisor name], the sponsor and the special purposes entity have complied with the Capital Market Law, Listing Rules and the Rules on the Offers of Securities and Continuing Obligations.</p> <p>In Particular, [please insert the financial advisor name] confirms that:</p> <ol style="list-style-type: none"> 1) It has provided all relevant services required by the Rules on the Offer of Securities and Continuing Obligations, with the required care and experience. 2) That it has taken reasonable steps to verify that the members of the board of directors of the Special Purpose Entity and the Sponsor | <p style="text-align: center;">ANNEX 16(A) FORM OF A FINANCIAL ADVISOR'S LETTER</p> <p><i>[To be provided on the legal advisor's letterhead]</i></p> <p>To: The Authority In our capacity acting as the financial advisor to (please insert the name of the "special purposes entity") (referred to hereinafter as "special purposes entity") in respect of the special purposes entity's application for registration and offer of securities (please provide details of the securities) in accordance with Article 21 of the Rules on the Offer of Securities and Continuing Obligations, we [please insert the name of the financial advisor] confirm, to the best of our knowledge, and through conducting due diligence and making enquiries of the special purposes entity, the sponsor and their advisors, that the issuer and the sponsor have satisfied all conditions required for registration and offer of securities and has satisfied all other matters required by the Capital Market Authority (the "Authority") as of the date of this letter. [please insert the financial advisor name] further confirms that it has, to the best of its knowledge and within its capacity as financial advisor, provided to the Authority any information or clarifications in such form and within such time limit as the Authority required for the purpose of verifying whether [please insert the financial advisor name], the sponsor and the special purposes entity have complied with the Capital Market Law, Listing Rules and the Rules on the Offers of Securities and Continuing Obligations.</p> <p>In Particular, [please insert the financial advisor name] confirms that:</p> <ol style="list-style-type: none"> 1) It has provided all relevant services required by the Rules on the Offer of Securities and Continuing Obligations, with the required care and experience. 2) That it has taken reasonable steps to verify that the members of the board of directors of the Special Purpose Entity and the Sponsor | <p>The proposed provisions in the Draft Amendments included the requirements for a financial advisor and their obligations, which include submitting a letter to the Authority. The proposed amendments aim to stipulate the required form for such letter if the registration application was submitted by a special purposes entity.</p> |



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| | <p>understand the nature and extent of their responsibilities in accordance with the Capital Market Law and its Implementing Regulations and Exchange Rules</p> <p>3) It has reached a reasonable opinion, based on adequate investigations and professional experience, to ensure that:</p> <p>a. The Special Purpose Entity and the Sponsor have met all requirements relating to the registration and placement of securities (including provisions relating to the Prospectus).</p> <p>b. The members of the board of directors of the special purpose entity and the sponsor have developed procedures, controls and systems sufficient to enable the special purpose entity and the sponsor to meet the requirements of the Rules On The Offer Of Securities And The Continuing Obligations, the Listing Rules, the Capital Market Law and its implementing regulations, and the Exchange Rules.</p> <p>c. All known issues of [insert name of the financial advisor] that the Authority should consider when reviewing the application for registration and the offering of securities Has been disclosed to the Authority.</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover,</p> | <p>understand the nature and extent of their responsibilities in accordance with the Capital Market Law and its Implementing Regulations and Exchange Rules</p> <p>3) It has reached a reasonable opinion, based on adequate investigations and professional experience, to ensure that:</p> <p>a. The Special Purpose Entity and the Sponsor have met all requirements relating to the registration and placement of securities <i>or the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable]</i> (including provisions relating to the Prospectus <i>or registration document for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, as applicable</i>).</p> <p>b. The members of the board of directors of the special purpose entity and the sponsor have developed procedures, controls and systems sufficient to enable the special purpose entity and the sponsor to meet the requirements of the Rules On The Offer Of Securities And The Continuing Obligations, the Listing Rules, the Capital Market Law and its implementing regulations, and the Exchange Rules.</p> <p>c. All known issues of [insert name of the financial advisor] that the Authority should consider when reviewing the application for registration and the offering of securities <i>or application for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as</i></p> | |



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| | such documents must be submitted to the Authority upon request] | <p><i>applicable]</i> Has been disclosed to the Authority.</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request]</p> | |
| 7) | <p>ANNEX 17 FORM OF A LEGAL ADVISOR'S LETTER</p> <p>[To be provided on the legal advisor's letterhead]</p> <p>To: The Authority</p> <p>We act as legal advisor to [please insert the name of the issuer] (referred to hereinafter as “issuer”) in respect of the issuer’s application for registration and offer of securities (please provide details of the securities).</p> <p>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.</p> <p>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</p> | <p>ANNEX 17 FORM OF A LEGAL ADVISOR'S LETTER</p> <p>[To be provided on the legal advisor's letterhead]</p> <p>To: The Authority</p> <p>We act as legal advisor to [please insert the name of the issuer] (referred to hereinafter as “issuer”) in respect of the issuer’s application for registration and offer of securities or registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable] (please provide details of the securities).</p> <p>We further refer to the draft prospectus / shareholders circular / registration document for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable] prepared in relation to the issuer [please provide details of the offer], and more specifically, in connection with the application to the Capital Market Authority (the “Authority”) for the registration and offer of the securities of the issuer or registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable]. We have, in relation to the application, and in consultation with the financial</p> | <p>The proposed provisions in the Draft Amendments included the requirements for a legal advisor and their obligations, which include submitting a letter to the Authority. The proposed amendments aim to stipulate the required form for such letter.</p> |



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| | <p>and enquiries as we consider appropriate in the circumstances and (have undertaken a formal legal due diligence review <i>[use as applicable]</i>).</p> <p>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 <i>[use as applicable]</i> as at the date hereof.</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request]</p> | <p>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.</p> <p>In particular, we have advised the issuer on the content of the legal sections of the prospectus / shareholders circular / registration document for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange <i>[use as applicable]</i>. 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 <i>[use as applicable]</i>).</p> <p>In our capacity as such counsel, we confirm that we are not aware of any material matter of noncompliance by the issuer with the requirements of the Capital Market Law its Implementing Regulations and the Exchange Rules including any conditions imposed by the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules, including the content requirements in relation to the prospectus/ shareholders circular / registration document for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange <i>[use as applicable]</i> as at the date hereof.</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request]</p> | |



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| 8) | <p>ANNEX 17(A) FORM OF A LEGAL ADVISOR'S LETTER FOR A SPECIAL PURPOSES ENTITY</p> <p><i>[To be provided on the legal advisor's letterhead]</i> To: The Authority</p> <p>We, acting as legal advisor to <i>[please insert the name of the special purposes entity]</i> ("referred to hereinafter as "special purposes entity") in respect of the special purposes entity's application for registration and offer of securities <i>(please provide details of the securities)</i>.</p> <p>We further refer to the draft prospectus prepared in relation to the special purposes entity <i>[please provide details of the offer]</i>, and more specifically, in connection with the application submitted to the Capital Market Authority (the "Authority") for the registration and offer of its securities, and after consultation with the financial advisor regarding the application in relation to the requirements of the Capital Market Law its Implementing Regulations and the Exchange Rules including the Rules on the Offer of Securities and Continuing Obligations, we particularly advised the special purposes entity of the requirements that should be included in the legal chapters of the prospectus. In this respect, we have carried out such further review and enquiries as we consider appropriate in the circumstances.</p> <p>In our advisory capacity, we confirm that we are not aware of any material matter consisting a violation by the special purposes entity to the requirements of the Capital Market Law its Implementing Regulations and the Exchange Rules including any conditions imposed by the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules, including the requirements of the content of the prospectus as at the date hereof.</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for</p> | <p>ANNEX 17(A) FORM OF A LEGAL ADVISOR'S LETTER FOR A SPECIAL PURPOSES ENTITY</p> <p><i>[To be provided on the legal advisor's letterhead]</i> To: The Authority</p> <p>We, acting as legal advisor to <i>[please insert the name of the special purposes entity]</i> ("referred to hereinafter as "special purposes entity") in respect of the special purposes entity's application for registration and offer of securities or registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange <i>[use as applicable]</i> <i>(please provide details of the securities)</i>.</p> <p>We further refer to the draft prospectus prepared in relation to the special purposes entity <i>[please provide details of the offer]</i> / registration document for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange <i>[use as applicable]</i>, and more specifically, in connection with the application submitted to the Capital Market Authority (the "Authority") for the registration and offer of its securities or registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange, and after consultation with the financial advisor regarding the application in relation to the requirements of the Capital Market Law its Implementing Regulations and the Exchange Rules including the Rules on the Offer of Securities and Continuing Obligations, we particularly advised the special purposes entity of the requirements that should be included in the legal chapters of the prospectus / registration document for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange <i>[use as applicable]</i>. In this respect, we have carried out such further review and enquiries as we consider appropriate in the circumstances.</p> | <p>The proposed provisions in the Draft Amendments included the requirements for a legal advisor and their obligations, which include submitting a letter to the Authority. The proposed amendments aim to stipulate the required form for such letter if the registration application was submitted by a special purposes entity.</p> |



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| | <p>this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request]</p> | <p>In our advisory capacity, we confirm that we are not aware of any material matter consisting a violation by the special purposes entity to the requirements of the Capital Market Law its Implementing Regulations and the Exchange Rules including any conditions imposed by the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules, including the requirements of the content of the prospectus / registration document for registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange [use as applicable] as at the date hereof.</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request]</p> | |
| 9) | - | <p>The addition of an annex as follows: ANNEX (*): CONTENTS OF A REGISTRATION DOCUMENT FOR REGISTRATION OF DEBT INSTRUMENTS OFFERED BY WAY OF PRIVATE PLACEMENT FOR AN ISSUER THAT HAS SECURITIES CURRENTLY LISTED ON THE EXCHANGE</p> <p>A registration document submitted for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by an issuer that has securities currently listed on the Exchange must contain the information under the following sections at a minimum:</p> <p>1. Cover page This section must include the following information (where applicable):</p> <ol style="list-style-type: none"> 1. the issuer's name, incorporation date and commercial | <p>The proposed annex aims to set out the minimum required information that must be included in the registration document for registration of debt instruments offered by way of private placement for an issuer that has securities currently listed on the Exchange.</p> |



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| | | <p>registration number. If the issuer is a special purposes entity, a license to establish the special purposes entity and the sponsor's commercial registration;</p> <ol style="list-style-type: none"> 2. capital and number of shares, and the sponsor's capital if the issuer is a special purposes entity; 3. a summary that includes the details and rights of the debt instruments; 4. shares and debt instruments that have been previously listed (if applicable). If the issuer is a special purposes entity, shares and debt instruments that have been previously listed by the special purposes entity and the sponsor (if any); 5. a statement that the issuer has submitted the application for registration of securities subject to this document to the Authority, has submitted the application for listing to the Exchange, and has submitted all the required documents to the relevant authorities; 6. a statement on the importance of referring to the "Important Notice" and the "Risk Factors" under section (2) and section (5) of this Annex, respectively; 7. the following declaration: "This registration document includes information provided as part of the application for registration of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange. The issuer's directors (and the sponsor's directors if the issuer is a special purposes entity), whose names appear on page [●], collectively and individually accept full responsibility for the accuracy of the information contained in this document and | |



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| | | <p>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 document, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. In the event that any of the contents of this document cannot be understood, an authorized financial advisor shall be consulted."</p> <p>2. Important notice This section must include a notice which shows the purpose and the nature of information mentioned in the document.</p> <p>3. Corporate directory This section must contain the following (where applicable):</p> <ol style="list-style-type: none"> 1. The issuer's and its representatives' contact information (and contact information for the sponsor and its representatives if the issuer is a special purposes entity), including addresses, telephone and fax numbers, e-mail addresses, and the issuer's website (and the sponsor's website if the issuer is a special purposes entity). 2. The contact information, including addresses, telephone 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 registration document has been attributed: <ol style="list-style-type: none"> a. the financial advisor; b. the legal advisor; c. the external auditor; d. the custodian (where applicable); and | |



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| | | <p>e. the board members of the special purposes entity (where applicable).</p> <p>4. Summary: This section must include a disclaimer to the target investors on the importance of reading the registration document prior to making an investment decision, and include the following information (where applicable):</p> <ol style="list-style-type: none"> 1. the issuer's name, description and incorporation information; 2. if the issuer is a special purposes entity, the name of the entity and sponsor, their descriptions, their incorporation information, and a summary of the financing transaction for the special purposes entity; 3. details of the debt instruments to be listed, their rights, and any restrictions imposed upon them; 4. if the issuer is a special purposes entity, the sponsor's commitment to ensure that the due payments are paid as per the debt instruments (as applicable); 5. any additional information required by the Authority to be provided in the registration document as it deems appropriate; and 6. a statement on the importance of referring to the "Important Notice" and the "Risk Factors" under section (2) and section (5) of this Annex, respectively. <p>5. Risk factors This section must contain information in relation to risk factors specific to:</p> <ol style="list-style-type: none"> 1. the issuer (and the sponsor if the issuer is a special purposes entity); 2. the market and industry in which the issuer operates (and the market and industry in which the sponsor operates if the issuer is a special purposes entity); and 3. securities that are the subject of the registration document. <p>6. Table of contents</p> | |



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| | | <p>This section must include the registration document table of contents.</p> <p>7. Terms and definitions This section must include the terms and definitions used in the registration document.</p> <p>8. Declarations The directors of the issuer (and the directors of the sponsor if the issuer is a special purposes entity) must make the following declarations:</p> <ol style="list-style-type: none"> 1. Other than what has been mentioned on page (*) of this document, there has not been any interruption in the business of the issuer (or sponsor if the issuer is a special purposes entity) or of the issuer's subsidiaries (if applicable), which may have or has had a significant effect on the financial position in the last 12 months. 2. Other than what has been mentioned on page (*) of this document, there has not been any material adverse change in the financial or trading position of the issuer (or sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable) in the year preceding the application for registration of securities that are the subject of this document. 3. Debt instruments that are the subject of this registration document have been priced in a fair methodology and in a manner that preserves the rights of the holders of the debt instruments. 4. The registration of securities that are the subject of this document does not prejudice the offering documents of the debt instruments and the related debenture agreement. <p>9. Information concerning the debt instruments This section must include the following information:</p> <ol style="list-style-type: none"> 1. all details of the debt instruments that are the subject of this registration document including their terms and conditions; | |



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| | | <ol style="list-style-type: none"> 2. the financing structure associated with the debt instruments; 3. the debt instruments' pricing methodology; 4. the proposed guiding price for the listing of debt instruments; 5. use of proceeds of the offering of the debt instruments (where applicable); 6. details of the early redemption of the debt instruments (if any); 7. the nominal value for debt instrument; 8. details of repayment related dates including final maturity date and early repayment dates, specifying whether exercisable at the request of the issuer or sponsor (as applicable) or at the request the holders of the debt instruments, and the date from which payments are due to start; 9. details of the arrangements for transfer of the debt instruments; 10. the names and addresses of the paying agents, and any registrar and transfer agents for the debt instruments; and 11. a statement that an application has been made to the Authority for the registration of the debt instruments and to the Exchange for the listing thereof. | |
| 10 | - | <p>The addition of an annex as follows: ANNEX (*): CONTENTS OF A REGISTRATION DOCUMENT FOR REGISTRATION OF DEBT INSTRUMENTS OFFERED BY WAY OF PRIVATE PLACEMENT FOR AN ISSUER WITHOUT SECURITIES LISTED ON THE EXCHANGE</p> <p>A registration document submitted for the registration of debt instruments offered by way of private placement for the purpose of direct listing on the Exchange by an issuer without securities listed on the Exchange must</p> | <p>The proposed annex aims to set out the minimum required information that must be included in the registration document for registration of debt instruments offered by way of private placement for an issuer without securities listed on the Exchange.</p> |



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| | | <p>contain the information under the following sections at a minimum:</p> <p>1. Cover page This section must include the following information (where applicable):</p> <ol style="list-style-type: none"> 1. the issuer's name, incorporation date and commercial registration number. If the issuer is a special purposes entity, a license to establish a special purposes entity and the sponsor's commercial registration; 2. capital and number of shares, and the sponsor's capital if the issuer is a special purposes entity; 3. a summary that includes the details and rights of the debt instruments; 4. shares and debt instruments that have been previously listed (if applicable). If the issuer is a special purposes entity, shares and debt instruments that have been previously listed by the special purposes entity and the sponsor (if any); 5. a statement that the issuer has submitted the application for registration of securities subject to this document to the Authority, has submitted the application for listing to the Exchange, and has submitted all the required documents to the relevant authorities; 6. a statement on the importance of referring to the "Important Notice" and the "Risk Factors" under section (2) and section (9) of this Annex, respectively; and 7. the following declaration: "This registration document includes information provided as part of the application for registration of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange. The issuer's | |



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| | | <p>directors (and the sponsor's directors if the issuer is a special purposes entity), whose names appear on page [●], collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The Authority and the Saudi Stock Exchange do not take any responsibility for the contents of this document, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. In the event that any of the contents of this document cannot be understood, an authorized financial advisor shall be consulted."</p> <p>2. Important notice This section must include a notice which shows the purpose and the nature of information mentioned in the document.</p> <p>3. Corporate directory This section must include the following information (where applicable):</p> <ol style="list-style-type: none"> 1. The issuer's and its representatives' contact information (and contact information for the sponsor and its representatives in the event that the sponsor is a special purposes entity), including addresses, telephone and fax numbers, e-mail addresses, and the issuer's website (and the sponsor's website in the event that the sponsor is a special purposes entity). 2. The contact information, including addresses, telephone 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 | |



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| | | <p>the registration document has been attributed:</p> <ol style="list-style-type: none"> a. the financial advisor; b. the legal advisor; c. the external auditor; d. the custodian (where applicable); and e. the board members of the special purposes entity (where applicable). <p>3. A statement that the non-objection of the participating parties to use their names, logos, and statements in the registration document was obtained.</p> <p>4. Summary: This section must include a disclaimer to the target investors on the importance of reading the registration document prior to making an investment decision. This section must include the following information (where applicable):</p> <ol style="list-style-type: none"> 1. the issuer's name, description and incorporation information (and the name of the sponsor, its description, and incorporation information if the issuer is a special purposes entity); 2. the issuer's activities (and the sponsor if the issuer is a special purposes entity); 3. substantial shareholders showing their ownership percentages and number of shares. If the issuer is a special purposes entity, substantial shareholders of the sponsor showing their ownership percentages and number of shares; 4. details of the debt instruments to be listed, their rights, and any restrictions imposed upon them; 5. the nominal value for debt instrument; 6. if the issuer is a special purposes entity, the sponsor's commitment to ensure that the due payments are paid as per the debt instruments (as applicable); 7. details of repayment related dates including final maturity | |



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| | | <p>date and early repayment dates, specifying whether exercisable at the request of the issuer or sponsor (as applicable) or at the request the holders of the debt instruments, and the date from which payments are due to start;</p> <p>8. details of the arrangements for transfer of the debt instruments;</p> <p>9. the names and addresses of the paying agents, and any registrar and transfer agents for the debt instruments;</p> <p>10. details of the early redemption of the debt instruments (if any);</p> <p>11. any additional information required by the Authority to be provided in the registration document as it deems appropriate; and</p> <p>12. a statement on the importance of referring to the “Important Notice” and the “Risk Factors” under section (2) and section (9) of this Annex.</p> <p>5. Summary of basic information This section must include a summary of the basic information contained in the registration document, including:</p> <ol style="list-style-type: none"> 1. a disclaimer to investors about consideration of the registration document as a whole, and not merely the summary; 2. a description of the issuer (and a description of the sponsor if the issuer is a special purposes entity); 3. the issuer’s mission and overall strategy (and the sponsor’s mission and overall strategy if the issuer is a special purposes entity); 4. the issuer’s key strengths and competitive advantages (and the sponsor’s key strengths and competitive advantages if the issuer is a special purposes entity); 5. an overview of the market (and an overview of the market in which the sponsor | |



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| | | <p>operates if the issuer is a special purposes entity); and</p> <p>6. if the issuer is a special purposes entity, a summary of the financing transaction for the special purposes entity and the sponsor's commitment to ensure that the due payments are paid as per the debt instruments (as applicable).</p> <p>6. Summary of financial information This section must include a summary of key financial information contained in the registration document, including issuer's operational performance, financial condition, cash flows and key indicators (and the sponsor's operational performance, financial condition, cash flows and key indicators if the issuer is a special purposes entity)</p> <p>7. Table of contents This section must include the registration document table of contents.</p> <p>8. Terms and definitions This section must include the terms and definitions used in the registration document.</p> <p>9. Risk factors This section must contain information in relation to risk factors specific to:</p> <ol style="list-style-type: none"> 1. the issuer (and the sponsor if the issuer is a special purposes entity); 2. the market and industry in which the issuer operates (and the market and industry in which the sponsor operates if the issuer is a special purposes entity); and 3. securities that are the subject of the registration document. <p>10. Information about the market and sector (as applicable) If the issuer is a special purposes entity, this section must include information on the market and sector in which the sponsor operates.</p> <p>11. The issuer and sponsor (where applicable) background, business nature This section must include the issuer's background and business nature (and the sponsor's background and business nature if the issuer is a special purposes</p> | |



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| | | <p>entity), including the following information:</p> <ol style="list-style-type: none"> 1. the issuer's official name, commercial registration number, the address shown in the commercial registration, and the principal address of the issuer if it is different than the address shown in the commercial registration (and that of the sponsor if the issuer is a special purposes entity); 2. the date of incorporation of the issuer (and that of the sponsor if the issuer is a special purposes entity); 3. the authorized shares of the issuer, the number of shares issued or agreed to be issued, the value paid up, the nominal value and a description of the shares; 4. if the issuer is a special purposes entity, the sponsor's authorized shares, number of shares issued or agreed to be issued, value paid up, nominal value and a description of the shares; 5. description of organization chart of the group showing the issuer's position within that group (or that of the sponsor if the issuer is a special purposes entity) (if applicable); 6. the general nature of the business of the issuer (or the sponsor if the issuer is a special purposes entity), its subsidiaries (if applicable), and details of the main products sold or services provided and an indication of any significant new products or activities; 7. if the issuer (or the sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable) trades outside the Kingdom, a statement showing the location of such trading operations must be provided. Where a material portion of assets of the issuer (or the sponsor if the issuer is a | |



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| | | <p>special purposes entity) or of its subsidiaries (if any) are outside the Kingdom, the value and location of such assets and the value of the assets located in the Kingdom must be provided;</p> <p>8. information concerning the policy of the issuer (or the sponsor if the issuer is a special purposes entity) and its subsidiaries (if applicable) on the research and development of new products and production processes over the past three financial years, where significant;</p> <p>9. particulars of any interruption in the business of the issuer (or the sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable) which may have or has had a significant effect on the financial position in the last 12 months;</p> <p>10. the number of people employed by the issuer and the issuer's subsidiaries (if applicable) and any material changes to that number over the last two financial years, with a breakdown of persons employed by main categories of activity and by Saudization ratio;</p> <p>11. a statement that no material change in the nature of the business of the issuer (or the sponsor if the issuer is a special purposes entity) is contemplated, and if one is contemplated, a detailed description of that change and its impact on the issuer's business (or that of the sponsor if the issuer is a special purposes entity) and its profitability.</p> <p>12. Issuer's and Sponsor's organizational structure (as applicable)</p> <p>This section must include the issuer's organizational structure (and that of the sponsor if the issuer is a special purposes entity), including the following information:</p> | |



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| | | <ol style="list-style-type: none"> 1. the issuer's organizational chart (and that of the sponsor if the issuer is a special purposes entity) showing the directors structure, supervisory committees, and the functions of senior executives; 2. full names, description of professional and academic qualifications and area of expertise and dates of appointment of all the issuer's directors (and of the sponsor's directors if the issuer is a special purposes entity), or proposed directors and senior executives for the issuer (and the sponsor if the issuer is a special purposes entity) showing whether the director is independent or non-independent and executive or non-executive; 3. details of other previous or current board positions held by all directors of the issuer (and of the sponsor if the issuer is a special purposes entity) or proposed directors or senior executives and the company secretary of the issuer. The details should include the name of the company, legal entity, membership start and end dates, and the sector in which the company operates; 4. details of any bankruptcies of each director of the issuer (and of the sponsor if the issuer is a special purposes entity) or proposed director, senior executives, or the company secretary of the issuer (and of the sponsor if the issuer is a special purposes entity); 5. details of any company insolvency in the preceding five years where any of the directors of the issuer (and of the sponsor if the issuer is a special purposes entity) or proposed directors, senior executives, or the company secretary of the issuer (and of the sponsor if the issuer is a | |



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| | | <p>special purposes entity) were employed by the insolvent company in a managerial or supervisory position;</p> <p>6. a report showing the direct or indirect interests of each director of the issuer (and of the sponsor if the issuer is a special purposes entity) or proposed director, senior executives, or company secretary of the issuer (and of the sponsor if the issuer is a special purposes entity) and any of their relatives in the shares or debt instruments of the issuer (and of the sponsor if the issuer is a special purposes entity) and its subsidiaries (if applicable), or provide an appropriate negative statement;</p> <p>7. the aggregate remuneration and benefits in kind granted by the issuer (and the sponsor if the issuer is a special purposes entity) or any subsidiary, during the three financial years prior to submitting the registration application for the securities that are the subject of this document, to the directors and five senior executives who received the highest payments, including the chief executive officer and the chief financial officer of the issuer (and of the sponsor if the issuer is a special purposes entity) if they were not within the top five;</p> <p>8. full particulars of any contract or arrangement in effect or contemplated at the time of submission of the registration document in which a director or senior executive or any of their relatives has an interest in relation to the business of the issuer (and of the sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable), or provide an appropriate negative statement;</p> | |



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| | | <p>9. information about the board of directors committees, including the names of each committee member and a summary of the terms of reference under which each committee operates;</p> <p>10. a summary of existing or proposed service contracts, if any, of the directors or chief executive officer and the chief financial officer of the issuer (and of the sponsor if the issuer is a special purposes entity);</p> <p>11. information about the issuer's (and the sponsor if the issuer is a special purposes entity) compliance with the corporate governance regulation; and</p> <p>12. any employee share schemes in place prior to the application for registration of securities that are the subject of this registration document along with details on the aggregate amount of shares owned by the employees in the issuer (or the sponsor if the issuer is a special purposes entity), and any other arrangements involving the employees in the capital of the issuer (or the sponsor if the issuer is a special purposes entity).</p> <p>13. Financial information The information required below must be provided in relation to the issuer (or the sponsor if the issuer is a special purposes entity) for the three financial years immediately preceding the application for registration of securities that are the subject of this document:</p> <p>1. comparative tables of financial information with commentary and analysis by the issuer's management (or the sponsor if the issuer is a special purposes entity) of financial material information. The comparative tables must:</p> <p>a. be prepared on a consolidated basis;</p> <p>b. be extracted without material adjustment</p> | |



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| | | <p>from audited financial statements; and</p> <p>c. include financial information presented in a form consistent with that which is adopted in the issuer's annual financial statements.</p> <p>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:</p> <p>a. where the external auditors' report on the financial statements of the issuer (or the sponsor if the issuer is a special purposes entity) for any of the last three financial years immediately preceding the application for registration of securities that are the subject of this document;</p> <p>b. where the issuer (or the sponsor if the issuer is a special purposes entity) has undergone restructuring in the three financial years immediately preceding the date of application for registration of securities that are the subject of this document;</p> <p>c. where any material change has been made to the accounting policies of the issuer; or</p> <p>d. where any material adjustment has been made or is required to be made to the published audited</p> | |



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| | | <p>financial statements during the periods referred to the subparagraph (1) above.</p> <p>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.</p> <p>4. the information required below must be provided in relation to the financial, operating performance, and results of operations:</p> <ul style="list-style-type: none"> 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; | |



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| | | <p>g. particulars of any alterations in the capital of the issuer (or the sponsor if the issuer is a special purposes entity), or where material, any of the issuer's subsidiaries (if applicable) within the three years immediately preceding the date of the application for registration of securities that are the subject of this document. Such particulars must state the price and terms of any issues by the issuer (or the sponsor if the issuer is a special purposes entity), or its subsidiaries (if applicable); and</p> <p>h. details of any amendments in the capital of the issuer (or the sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable) which is under option, including the consideration for which the option was granted, and the price and duration of the option, and the name and address of the grantee, or provide an appropriate</p> | |



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| | | <p style="text-align: right;">negative statement.</p> <p>5. property, plant and equipment</p> <p style="padding-left: 20px;">a. a breakdown of any existing material fixed assets, including leased properties;</p> <p style="padding-left: 20px;">b. an explanation of the issuer's depreciation policy and any changes contemplated in that policy; and</p> <p style="padding-left: 20px;">c. any planned material fixed assets, including leased properties.</p> <p>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:</p> <p style="padding-left: 20px;">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;</p> <p style="padding-left: 20px;">b. a breakdown and classification of all other borrowing or indebtedness, bank overdrafts, liabilities under acceptances, acceptance credits or hire purchase commitments,</p> | |



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| | | <p>distinguishing between guaranteed, unguaranteed, secured and unsecured borrowing and debt, or provide an appropriate negative statement;</p> <p>c. a breakdown and classification of all mortgages, rights and charges on the issuer (or the sponsor if the issuer is a special purposes entity) and its subsidiaries' properties (if any), or provide an appropriate negative statement;</p> <p>d. a breakdown of any contingent liabilities or guarantees, or provide an appropriate negative statement.</p> <p>7. a statement by the directors of any material adverse change in the financial or trading position in the three financial years preceding the application for registration of securities that are the subject of this document and the period covered in the external auditors' report up to and including the date of approval of the registration document or provide an appropriate negative statement.</p> <p>8. particulars of any commissions, discounts, brokerages or other non-cash compensation granted within the three years immediately preceding the application for registration of securities that are the subject of this document in connection with the issue or offer of any securities by the issuer (or the sponsor if the issuer is a special purposes entity) or any of its subsidiaries (if applicable), together with the names of any directors,</p> | |



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| | | <p>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.</p> <p>14. Statements by experts Where the registration document includes a statement made by an expert, a statement should be included specifying the qualifications of the expert and whether such expert or any relative has any shareholding or interest of any kind in the issuer (or the sponsor if the issuer is a special purposes entity) or any of its subsidiaries. In addition, the statement should confirm that the expert has given and not withdrawn his written consent to the publication in the registration document of the expert's statement included in the form and context in which it is included.</p> <p>15. Declarations The directors of the issuer (or the directors of sponsor if the issuer is a special purposes entity) must make the following declarations:</p> <ol style="list-style-type: none"> 1. Other than what has been mentioned on page (*) of this document, there has not been any interruption in the business of the issuer (or sponsor if the issuer is a special purposes entity) or its subsidiaries (if applicable), which may have or has had a significant effect on the financial position in the last 12 months. 2. Other than what has been mentioned on page (*) of this document, there has not been any commissions, discounts, brokerages or other non-cash compensation granted within the three years immediately preceding the application for registration in connection with the issue or offer of any securities. 3. Other than what has been mentioned on page (*) of this document, there has not been any material adverse change in the financial or trading position of the issuer (or sponsor if the issuer is a | |



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| | | <p>special purposes entity) or its subsidiaries (if applicable) in the three years preceding the application for registration of securities that are the subject of this document.</p> <p>4. Other than what is mentioned on page (*) of this document, the Board directors do not have any shareholding or interest of any kind in the issuer (or sponsor if the issuer is a special purposes entity), or any of the issuer's subsidiaries (if applicable), and nor does any relative of theirs.</p> <p>5. Debt instruments that are the subject of this registration document have been priced in a fair methodology and in a manner that preserves the rights of the holders of the debt instruments.</p> <p>16. Expenses This section must include an estimation of the expenses for the direct listing of debt instruments that are the subject of this document.</p> <p>17. Legal Information This section must include the following legal information:</p> <p>1. The following declarations from the issuer's board of directors (and that of the sponsor if the issuer is a special purposes entity):</p> <p>a. Submitting an application for registration of securities that are the subject of this document does not violate the relevant laws and regulations in the Kingdom;</p> <p>b. The registration of securities subject to this document does not constitute a breach of any of the contracts or agreements entered into by the issuer (or the sponsor in case the issuer is a special purposes entity);</p> <p>c. The registration of securities that are the subject of this document does not prejudice the</p> | |



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| | | <p>offering documents of the debt instruments and the related debenture agreement;</p> <p>d. all material legal issues concerning the issuer (and sponsor if the issuer is a special purposes entity) have been disclosed in the registration document;</p> <p>e. other than what has been mentioned on page (*) of this document, the issuer (or sponsor if the issuer is a special purposes entity) and its subsidiaries are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position; and</p> <p>f. other than what has been mentioned on page (*) of this document, the directors of the issuer (or sponsor if the issuer is a special purposes entity) are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position.</p> <p>2. a summary of all material contracts.</p> <p>3. in relation to the issuer (and sponsor if the issuer is a special purposes entity) and its subsidiaries (if applicable), the following must be included:</p> <p>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</p> | |



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| | | <p>extent to which the issuer or any of its subsidiaries (if applicable) is dependent on such assets;</p> <p>b. particulars of any litigation or claim (including any litigation pending or threatened) or any ongoing investigations which may have a material effect on the issuer's or any of its subsidiary's business or financial position, or an appropriate negative statement.</p> <p>4. If the issuer is a special purposes entity:</p> <p>a. a summary of the provisions of the special purposes entity and the sponsor's by-laws and other constitutional documents, including:</p> <ol style="list-style-type: none"> 1) the object clause of the special purposes entity and the sponsor; 2) provisions relating to the special purposes entity and the sponsor's administrative, management and supervisory bodies; 3) provisions relating to the rights and restrictions attached to the special purposes entity's securities and the financing transaction. including: <ol style="list-style-type: none"> a. any pledges not to apply for new loans which give privileges to new creditors; b. any control rights granted to investors by the special purposes entity; 4) provisions governing the alteration of securities rights or classes of the special purposes entity, where applicable, and the sponsor; 5) provisions governing liquidation and winding up of the special purposes entity, where | |



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| | | <p>applicable, and the sponsor;</p> <p>6) any power enabling a director or the chief executive officer of the special purposes entity, where applicable, or of the sponsor, to vote on a contract or proposal in which he has an interest;</p> <p>7) any power enabling a director or the chief executive officer of the special purposes entity, where applicable, or of the sponsor, to vote on remuneration to themselves; and</p> <p>8) any powers allowing the directors or the senior executives of the special purposes entity, where applicable, or the sponsor, to borrow from the sponsor.</p> <p>b. a summary of all material contracts of the special purposes entity and the sponsor, including summaries of any contract which is material to the financing arrangements.</p> <p>c. a summary of all related party contracts of the special purposes entity and the sponsor.</p> <p>18. Waivers This section must include details on all requirements that have been waived for the issuer by the Authority.</p> <p>19. Information concerning the debt instruments This section must include the following information:</p> <ol style="list-style-type: none"> 1. a statement that an application has been made to the Authority for the registration of the debt instruments and to the Exchange for the listing thereof; 2. all details of the debt instruments that are the subject of this registration document including their terms and conditions; | |



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| | | <ol style="list-style-type: none"> 3. the financing structure associated with the debt instruments; 4. the debt instruments pricing methodology; 5. full information on the rights conferred upon holders of the debt instruments; 6. details of the debt instruments; 7. the names and addresses of the paying agents, and any registrar and transfer agents for the debt instruments; 8. the proposed guiding price for the listing of debt instruments; 9. use of the proceeds of the offer of the debt instruments; 10. details of the early redemption of the debt instruments (if any); 11. details of repayment related dates including final maturity date and early repayment dates, specifying whether exercisable at the request of the issuer or sponsor (as applicable) or at the request the holders of the debt instruments, and the date from which payments are due to start; 12. details of any agreements with the representative of the holders of the debt instruments, if any, the name and function and head office of such representative, the conditions under which the representative may be replaced together with an indication of where the public may inspect copies of the documents detailing the obligations of the representative; 13. a description of any subordination of the debt instruments to any other debts or debt instruments of the issuer (and the sponsor if the issuer is a special purposes entity); 14. a description of the applicable law related to the registration of the debt instruments; | |



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| | | <p>15. details of any restrictions on the transferability of the debt instruments;</p> <p>16. details of the arrangements for transfer of the debt instruments;</p> <p>17. the date upon which it is expected that trading in the debt instruments will commence, if the issuer (or the sponsor if the issuer is a special purposes entity) can anticipate such date;</p> <p>20. Documents available for inspection</p> <p>This section must include information in relation to the place in the Kingdom at which the following documents may be inspected and the period of time during which the inspection may take place (provided it is not less than 14 days before the end of the expected date to list the debt instruments that these documents shall remain available for inspection until the completion of listing of the debt instruments):</p> <ol style="list-style-type: none"> 1. the by-laws and other constitutional documents of the issuer (and the sponsor if the issuer is a special purposes entity); 2. any document or order granting permission to offer register the securities that are the subject of this document; 3. all other reports, letters, documents, value estimates or statements by any expert that any part of which is extracted or referred to in the registration document; 4. each contract disclosed pursuant to paragraph (7) of section (12) of this Annex or a memorandum giving full particulars of the agreement; 5. the reviewed financial statements of the issuer for each of the three financial years immediately preceding the date of the publication of the registration document, in addition to the most recent interim financial statements. If the issuer is a special purposes entity, the reviewed financial statements of the sponsor for each of the three financial years immediately | |



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| | | <p>preceding the date of the publication of the registration document, in addition to the most recent interim financial statements; and</p> <p>6. any other documentation that may be required by the Authority.</p> <p>21. External auditor's report The issuer's audited financial statements for the three years immediately preceding the date of the publication of the registration document, in addition to the most recent interim financial statements, must be enclosed.</p> <p>22. Guarantees Where a guarantee, pledge or other similar commitment is to be provided, the following information must be included:</p> <ol style="list-style-type: none"> 1. details regarding the terms, conditions and scope of the guarantee, pledge or other similar commitment including any conditionality on the application of the guarantee, pledge or similar commitment; and 2. copies of the external auditor's report and the directors' report on the accounts of the guarantor company. | |

D) Proposed amendments to the Rules on the Offer of Securities and Continuing Obligations to Develop the Regulatory Framework for Convertible Debt Instruments and Regulate the Issuance of Exchangeable Debt Instruments in comparison with the current provisions:

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| 1) | <p>Article 10: Private placement requirements ...</p> | <p>Article 10: Private placement requirements ...</p> <p>i) Without prejudice to the provisions of this Article, the issuer whose shares are listed in the Exchange, when offering convertible debt instruments by way of a private placement, shall be subject to the following conditions:</p> <ol style="list-style-type: none"> 1) The number of shares that may be issued for the convertible debt instruments shall not exceed (10%) of the | <p>The proposed provisions aim to stipulate the conditions for issuers who have shares listed on the Exchange when offering convertible debt instruments by way of private placement.</p> |



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| | | <p>issuer's total number of shares.</p> <p>2) Convertible debt instruments shall not be offered by way of a private placement more than once during the twelve months following the end of the offer.</p> <p>3) The issuer shall submit an application to the Authority for the registration of the shares resulting from conversion of convertible debt instruments in accordance with any applicable requirements under these Rules and as prescribed by the Authority.</p> | |
| 2) | <p>Article 25: Additional conditions for a public offer of convertible debt instruments</p> <p>a) The issuance of convertible debt instruments shall be subject to the following conditions:</p> <p>1) The conditions set out in Article 24 of these Rules, as applicable.</p> <p>2) Convertible debt instruments may be registered and offered only if the shares into which they are convertible are already listed.</p> <p>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.</p> <p>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.</p> <p>b) The issuer may not issue convertible debt instruments of</p> | <p>Article 25: Additional conditions for a public offer of convertible debt instruments and exchangeable debt instruments</p> <p>a) The issuance of convertible debt instruments shall be subject to the following conditions:</p> <p>1) The conditions set out in Article 24 of these Rules, as applicable.</p> <p>2) Convertible debt instruments may be registered and offered only if the shares into which they are convertible are already listed.</p> <p>3) A prospectus for convertible debt instruments, which would be converted into shares which are already listed on the Exchange, must contain the information set out in Annex * of these Rules.</p> <p>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.</p> <p>b) The issuance of exchangeable debt instruments shall be subject to the following conditions:</p> | <p>The proposed amendments aim to stipulate the conditions for the issue and public offering of exchangeable debt instruments.</p> |



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| | the same class already issued unless such instruments have been registered and offered in accordance with the provisions of this Part. | <ol style="list-style-type: none"> 1) The conditions set out in Article 24 of these Rules, as applicable. 2) Exchangeable debt instruments may be registered and offered only if the shares into which they are exchangeable are already listed; and the issuer may not dispose of shares equal to the shares that may be exchanged before the expiration of those instruments' maturity date. 3) A prospectus for exchangeable debt instruments must contain the information set out in Annex * of these Rules. | |
| 3) | <p>Article 26: Underwriting</p> <p>a) The offer of securities must be fully underwritten by one or more Capital Market Institutions licensed to carry out underwriting activities, and that Capital Market Institution must comply with the Prudential Rules.</p> <p>b) The provisions of paragraph (a) of this Article shall not apply to:</p> | <p>Article 26: Underwriting</p> <p>a) The offer of securities must be fully underwritten by one or more Capital Market Institutions licensed to carry out underwriting activities, and that Capital Market Institution must comply with the Prudential Rules.</p> <p>b) The provisions of paragraph (a) of this Article shall not apply to:</p> <p>7) Issuance of exchangeable debt instruments.</p> | The proposed amendments aim to specify that the requirement for underwriting does not apply to the public offer of exchangeable debt instruments. |
| 4) | <p>Article 28: Supporting documents</p> <p>a) The issuer, or the sponsor if the issuer is a special purposes entity, must submit to the Authority with its application for registration and offer electronic copies of the following documents (it shall maintain original copies of such documents and submit it to the Authority at its request): ... 24) In the case of debt instruments or convertible debt instruments, a copy of the debenture agreement or any other document</p> | <p>Article 28: Supporting documents</p> <p>a) The issuer, or the sponsor if the issuer is a special purposes entity, must submit to the Authority with its application for registration and offer electronic copies of the following documents (it shall maintain original copies of such documents and submit it to the Authority at its request): ... 24) in the case of debt instruments or convertible debt instruments or exchangeable debt instruments, a copy of the</p> | The proposed amendments aim to stipulate the requirements relating to the supporting documents for the application submitted to the Authority for the registration and offer of exchangeable debt instruments. |



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| | <p>constituting or securing such instruments must be included;</p> <p>....</p> <p>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), (25) and (26) of paragraph (a) of this Article shall not apply.</p> <p>f) If the issuer has its securities already listed on the Exchange:</p> <p>....</p> <p>5) subparagraphs (5), (12), (13), (14), (15), (16), (17), (25) and (26), of paragraph (a) and subparagraph (4) of paragraph (b) of this Article shall not apply to the application for the issuance of debt instruments or convertible debt instruments; and</p> <p>...</p> | <p>debenture agreement or any other document constituting or securing such instruments must be included;</p> <p>....</p> <p>e) For an issuer who does not have securities already listed on the Exchange and is seeking to register and offer debt instruments or convertible debt instruments or exchangeable debt instruments subparagraphs (16), (17), (25) and (26) of paragraph (a) of this Article shall not apply.</p> <p>f) If the issuer has its securities already listed on the Exchange:</p> <p>....</p> <p>5) subparagraphs (5), (12), (13), (14), (15), (16), (17), (25) and (26), of paragraph (a) and subparagraph (4) of paragraph (b) of this Article shall not apply to the application for the issuance of debt instruments or convertible debt instruments or exchangeable debt instruments; and</p> <p>....</p> | |
| 5) | <p>Article 29: The Prospectus</p> <p>...</p> <p>f) A prospectus for the offering of convertible debt instruments must contain the combined minimum information set out in Annex12 of these Rules and the relevant information set out in Annex 10 of these Rules.</p> <p>...</p> | <p>Article 29: The Prospectus</p> <p>...</p> <p>f) Annex * of these Rules sets out the minimum information which must be included in a prospectus for convertible debt instruments and exchangeable debt instruments.</p> <p>...</p> | <p>The proposed amendments aim to specify the prospectus requirements for the public offer of convertible debt instruments or exchangeable debt instruments.</p> |
| 6) | <p>Article 31: Supplementary prospectus and supplementary circular</p> <p>...</p> <p>b) A supplementary prospectus or supplementary circular must contain the following (as applicable):</p> <p>...</p> | <p>Article 31: Supplementary prospectus and supplementary circular</p> <p>...</p> <p>b) A supplementary prospectus or supplementary circular must contain the following (as applicable):</p> <p>...</p> | <p>The proposed amendments aim to specify the supplementary prospectus requirements for the public offer of convertible debt instruments or exchangeable debt instruments.</p> |



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| | <p>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 (13) of section (1) of Annex 10 (a) of these Rules, paragraph (9) of section (1) of Annex 11 of these Rules, paragraph (10) of section (1) of Annex 11 of these Rules, paragraph (10) 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;</p> <p>...</p> | <p>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 (13) of section (1) of Annex 10 (a) of these Rules, paragraph (9) of section (1) of Annex 11 of these Rules, paragraph (10) of section (1) of Annex 11 of these Rules, paragraph (10) of section (1) of Annex 11 of these Rules, paragraph (10) 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, paragraph (11) of section (1) of Annex 14 of these Rules or paragraph (*) of section (*) of annex * of these Rules as the case may be;</p> <p>...</p> | |
| 7) | <p>Article 62: Disclosure of specific events The issuer must immediately and without delay disclose to the Authority and the public any of the following developments (regardless of whether or not they qualify as "material" under Article 61 of these Rules):</p> <p>...</p> <p>29) any proposed change in the capital of the issuer;</p> <p>...</p> | <p>Article 62: Disclosure of specific events The issuer must immediately and without delay disclose to the Authority and the public any of the following developments (regardless of whether or not they qualify as "material" under Article 61 of these Rules):</p> <p>...</p> <p>29) any proposed change in the capital of the issuer, with a statement of its impact on the holders of convertible debt instruments (as applicable);</p> <p>...</p> | <p>The proposed amendment aims to add an obligation on issuers of convertible debt instruments where there is a proposed change in the capital of the issuer, to include in the disclosure of such change a statement on the impact of the change in capital on the holders of convertible debt instruments.</p> |



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| 8) | | <p>The addition of an annex as follows:</p> <p>ANNEX (*): Contents of A Prospectus for Convertible Debt Instruments or Exchangeable Debt Instruments</p> <p>A prospectus submitted for the registration and offering of convertible debt instruments or exchangeable debt instruments must contain the information under the following sections at a minimum:</p> <p>1. Cover page</p> <p>This section must include the following information (where applicable):</p> <ol style="list-style-type: none"> 1. the issuer's name, incorporation date and commercial registration number; 2. capital and number of shares (as applicable); 3. a summary of the offer including convertible debt instruments or exchangeable debt instruments details and rights; 4. target participants; 5. offer period and conditions; 6. shares and debt instruments or convertible debt instruments or exchangeable debt instruments that have been listed prior to the particular offer by the issuer (if applicable); 7. a statement that the issuer has submitted the application for registration and offer of securities subject to this prospectus to the Authority, has submitted the application for listing to the Exchange and has submitted all the required documents to the relevant authorities; 8. a statement referring to the "Important Notice" and the "Risk Factors" under | <p>The proposed annex aims to set out the minimum required information that must be included in the prospectus for convertible debt instruments or exchangeable debt instruments.</p> |



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| | | <p>section (2) and section (10) of this Annex, respectively before making an investment decision; and</p> <p>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.”</p> <p>2. Important notice This section must include a notice which shows the purpose and the nature of information mentioned in the prospectus.</p> | |



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| | | <p>3. Corporate directory This section must contain the following:</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> a. the financial advisor; b. the legal advisor; c. the external auditor; d. the underwriter (if any); and e. the Capital Market Institutions authorised to place or sell the securities. <p>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):</p> <ol style="list-style-type: none"> 1. the issuer's name, description and incorporation information; 2. the issuer's activities; 3. substantial shareholders showing their ownership percentages and number of shares; 4. the capital of the issuer; 5. the issuer's total number of shares (as applicable). 6. the nominal value for offered convertible debt instrument or exchangeable debt instrument; | |



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| | | <p>7. the total number of offered convertible debt instruments or exchangeable debt instruments;</p> <p>8. The percentage of offered the convertible debt instruments to the capital of the issuer;</p> <p>9. the use of proceeds;</p> <p>10. types of targeted investors;</p> <p>11. subscription method for each type of targeted investors;</p> <p>12. the minimum number of convertible debt instruments or exchangeable debt instruments to be subscribed for by each type of targeted investors;</p> <p>13. the minimum value of convertible debt instruments or exchangeable debt instruments to be subscribed for by each type of targeted investors;</p> <p>14. the maximum number of convertible debt instruments or exchangeable debt instruments to be subscribed for by each type of targeted investors;</p> <p>15. the maximum value of convertible debt instruments or exchangeable debt instruments to be subscribed for by each type of targeted investors;</p> <p>16. allocation method and description of the process where an excess of subscription monies has been received for all types of targeted investors;</p> <p>17. the offer period;</p> <p>18. full information of rights granted to holders of the convertible debt instrument or the</p> | |



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| | | <p>exchangeable debt instrument;</p> <p>19. details of convertible debt instruments or exchangeable debt instruments which includes:</p> <p>a. Conversion or exchange price.</p> <p>b. Conversion or exchange rate.</p> <p>20. details of repayment related dates including final maturity date and early repayment dates, specifying whether exercisable at the request of the issuer or at the request of the holder of the convertible debt instrument or exchangeable debt instrument, and the date from which payments are due to start;</p> <p>21. restrictions on convertible debt instruments or exchangeable debt instruments;</p> <p>22. details of the arrangements for transfer of the convertible debt instruments or exchangeable debt instruments;</p> <p>23. the names and addresses of the paying agents, and any registrar and transfer agents for the convertible debt instruments or exchangeable debt instruments;</p> <p>24. details of the early redemption of the convertible debt instrument or exchangeable debt instruments;</p> <p>25. a statement referring to the “Important Notice” and the “Risk Factors” under section (2) and section (10)</p> | |



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| | | <p>of this Annex, respectively before making an investment decision;</p> <p>26. any information required under Annex 9 of the Rules on the Offer of Securities and Continuing Obligations that has materially changed since approval of the most recent prospectus; and</p> <p>27. any additional information required by the Authority to be provided in the prospectus as it deems appropriate.</p> <p>5. Key dates and subscription procedure This section must include the following:</p> <ol style="list-style-type: none"> 1. a timetable showing the expected dates of the offering; and 2. a description of the subscription procedure. <p>6. Summary of basic information This section must include a summary of the basic information contained in the prospectus, including:</p> <ol style="list-style-type: none"> 1. the issuer's mission and overall strategy; 2. the issuer's key strengths and competitive advantages; and 3. an overview of the market. <p>7. Summary of financial information This section must contain a summary of key financial information contained in the prospectus, including the issuer's operational performance, financial condition, cash flows, and key indicators.</p> <p>8. Table of contents This section must include the prospectus table of contents.</p> <p>9. Terms and definitions</p> | |



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| | | <p>This section must include the terms and definitions used through the prospectus.</p> <p>10. Risk factors This section must contain information in relation to risk factors specific to:</p> <ol style="list-style-type: none"> 1. the issuer; 2. the market or industry in which the issuer operates; and 3. the securities being offered. <p>11. Employees (as applicable)</p> <ol style="list-style-type: none"> 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. <p>12. Financial information The information required below must be provided in relation to the issuer for the three financial years immediately preceding the application for registration and offer of securities that are the subject of this prospectus as well as the period covered in the interim financial statements as per paragraph (4) of Article 24 of the Rules on the Offer of Securities and Continuing Obligations:</p> <ol style="list-style-type: none"> 1. comparative tables of financial information with commentary and analysis by management of financial material information. The comparative tables must: <ol style="list-style-type: none"> a. be prepared on a consolidated basis; b. be extracted without material adjustment from audited financial statements; and c. include financial information presented | |



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| | | <p>in a form consistent with that which is adopted in the issuer's annual financial statements.</p> <p>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:</p> <p>a. where the external auditor has reservations on the report of the audited financial statements of the issuer for any of the last three financial years immediately preceding the application for registration and offer of securities that are the subject of this prospectus;</p> <p>b. where the issuer has undergone restructuring in the three financial years immediately preceding the date of the application for registration and offer of securities that are subject to this prospectus;</p> <p>c. where any material change has been made to the accounting policies of the issuer; or</p> <p>d. where any material adjustment has been made or is required to be made to the published audited financial statements during the periods referred to in subparagraph (1) above.</p> | |



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| | | <p>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.</p> <p>4. The information required below must be provided in relation to the financial, operating performance, and results of operations:</p> <ul style="list-style-type: none"> a. performance indicators; b. the financial, operating performance, and results of operations of the main lines of business; c. any seasonal or business cycles which affect the business or the financial condition; d. an explanation of any material changes from year to year in the financial information; e. information regarding any governmental, economic, fiscal, monetary or political policies or other factors that have materially affected, or could materially affect, directly or indirectly, the operations; f. the funding structure; g. particulars of any capital of the issuer or any subsidiary (if any) which is under option, including the consideration for which the option was or will be granted, and the price and duration of the option, and the | |



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| | | <p>name and address of the grantee, or provide an appropriate negative statement.</p> <p>h. Particulars of any alterations in the capital of the issuer, or where material, any of the issuer's substantial subsidiaries (if applicable), within the three years immediately preceding the date of the application for registration and offer of securities that are the subject of this prospectus. Such particulars must state the price and terms of any issues by the issuer or its subsidiaries (if any);</p> <p>For the purpose of measuring the substantiality of a subsidiary, the issuer and its financial advisors must consider its impact on the investment decision in the securities and its price, including but not limited to, a subsidiary is considered substantial if it constitutes 5% or more of the total assets, liabilities, revenues or profits of the issuer, or any potential obligations on it.</p> <p>5. property, plant and equipment</p> <p>a. a breakdown of any existing material fixed assets, including leased properties;</p> <p>b. an explanation of the issuer's depreciation policy and any changes contemplated in that policy; and</p> | |



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| | | <p>c. any planned material fixed assets, including leased properties.</p> <p>6. in relation to debt, a statement on a consolidated basis as at the most recent date must be prepared covering the following:</p> <p>a. a breakdown and classification of any debt instruments, convertible debt instrument and exchangeable debt instrument issued and outstanding, and authorised or otherwise created but unissued, and term loans, distinguishing between guaranteed, unguaranteed, secured (whether the pledge is provided by the issuer or by third parties) and unsecured loans, or provide an appropriate negative statement;</p> <p>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;</p> <p>c. a breakdown and classification of all mortgages, rights and charges on the issuer, and its subsidiaries' properties (if any), or provide an appropriate negative statement; and</p> | |



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| | | <p>d. a breakdown of any contingent liabilities or guarantees, or provide an appropriate negative statement.</p> <p>7. A statement by the directors of any material adverse change in the financial or trading position in the three financial years preceding the application for registration and offer of securities that are subject to this prospectus and during the period from the end of the period covered in the external auditors' report up to and including the date of approval of the prospectus, or provide an appropriate negative statement.</p> <p>8. Particulars of any commissions, discounts, brokerages or other non-cash compensation granted within the three years immediately preceding the application for registration and offer of securities that are subject to this prospectus in connection with the issue or offer of any securities by the issuer or any of the issuer's subsidiaries (if applicable), together with the names of any directors, proposed directors, senior executives, persons offering or placing the securities or experts who received any such payment or benefit, or provide an appropriate negative statement.</p> <p>13. Statements by experts Where the prospectus includes a statement made by an expert, a statement must be included specifying the qualifications of the expert and whether such expert or any relative has any shareholding or interest of any kind in the issuer or any of its subsidiaries (if any). In addition, the statement should confirm that the expert has given</p> | |



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| | | <p>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.</p> <p>14. Declarations The directors of the issuer must make the following declarations:</p> <ol style="list-style-type: none"> 1. Other than what has been mentioned on page (*) of this prospectus, there has not been any interruption in the business of the issuer or any of the issuer's subsidiaries (if applicable) which may have or has had a significant effect on the financial position in the last (12) months. 2. Other than what has been mentioned on page (*) of this prospectus, no commissions, discounts, brokerages fees or other non-cash compensations have been granted within the three years immediately preceding the application for registration and offer of securities that are the subject of this prospectus in connection with the issue or offer of any securities by the issuer or any of its subsidiaries (if applicable). 3. Other than what has been mentioned on page (*) of this prospectus, there has not been any material adverse change in the financial or trading position of the issuer or its subsidiaries (if applicable) in the three years preceding the application for registration and offer of securities that are the subject of this prospectus and during the period covered in the external auditors' report and up to | |



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| | | <p>and including the date of approval of the prospectus.</p> <p>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.</p> <p>15. Legal Information This section must include the following declarations from the board of directors that:</p> <ol style="list-style-type: none"> 1. The issuance does not constitute a breach of the relevant laws and regulations in Saudi Arabia. 2. The issuance does not constitute a breach of any contract/agreement entered into by the issuer. 3. all material legal issues concerning the issuer have been disclosed in the prospectus. 4. Details of any bankruptcies of each director or proposed director, senior executives, or the company secretary of the issuer. 5. Details of any company insolvency in the preceding five years where any of the directors or proposed directors, senior executives, or the company secretary of the issuer were employed by the insolvent company in a managerial or supervisory capacity. 6. other than what has been mentioned on page (*) of this document, the issuer and its subsidiaries are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the | |



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| | | <p>issuer or its subsidiaries or their financial position; and</p> <p>7. other than what has been mentioned on page (*) of this document, the directors of the issuer are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position.</p> <p>8. In relation to the issuer and its subsidiaries (if applicable), the following must be included:</p> <p>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</p> <p>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.</p> <p>16. Underwriter</p> | |



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| | | <p>This section must include information about the underwriter of the offer, as follows:</p> <ol style="list-style-type: none"> 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. <p>17. Expenses This section must include details of the aggregate offer expenses.</p> <p>18. Waivers This section must include details on all requirements that have been waived for the issuer by the authority.</p> <p>19. Information concerning the convertible debt instruments or the exchangeable debt instruments and terms and conditions of the offer This section must include the following information:</p> <ol style="list-style-type: none"> 1. a statement that an application has been made to the Authority for the registration and offer of the securities that are the subject of this prospectus and to the Exchange for the listing thereof; 2. full information on the rights conferred upon holders of convertible debt instruments or the exchangeable debt instruments; 3. details of the arrangements for transfer of the convertible debt instruments or the exchangeable debt instruments; 4. procedures and time limits for allocation and delivery of the convertible debt instruments or the exchangeable debt instruments and, where there will be temporary documents of title, the | |



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| | | <p>procedures for the delivery and exchange thereof;</p> <ol style="list-style-type: none"> 5. a description of the resolutions, and approvals by virtue of which the convertible debt instruments or the exchangeable debt instruments will be issued and offered; 6. the guarantees, pledges or commitments intended to be provided to guarantee the offer; 7. details of any agreements with the representative of the holders of the convertible debt instruments or the exchangeable debt instruments, if any, the name and function and head office of such representative, the conditions under which the representative may be replaced together with an indication of where the public may inspect copies of the documents detailing the obligations of the representative; 8. a description of any subordination of the offer to any other debts or debt instruments of the issuer; 9. a description of the applicable laws related to the offer; 10. the date upon which it is expected that trading in the debt instruments will commence, if the issuer can anticipate such date; 11. the times and circumstances where the offer may be suspended; 12. a description of the resolutions, and approvals by virtue of which the convertible debt instruments or the exchangeable debt instruments will be offered; 13. details of any lock-up arrangement in place | |



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| | | <p>restricting the disposal of particular shares; and</p> <p>14. number of new shares expected to be issued upon conversion of the entire issuance.</p> <p>20. Price dilution This section must include information on the expected share price dilution effects, its percentage after conversion, and its impact on the shareholders.</p> <p>21. Subscription Declarations This section must include information on the subscription declarations, allocation process, and the Exchange's details.</p> <p>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):</p> <ol style="list-style-type: none"> 1. the bylaws and other constitutional documents of the issuer; 2. any document or order granting permission to offer securities to the public; 3. any contract or arrangement, in effect or contemplated, in which a director or senior executive or any of their relatives has an interest and that is related to the business of the issuer or any of the issuer's subsidiaries (if applicable). If such a contract is not produced in writing, a memorandum giving full particulars of the agreement; 4. all other reports, letters, documents, value estimates or statements by any expert any part of | |



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| | | <p>which is extracted or referred to in the prospectus; and</p> <p>5. the audited financial statements of the issuer for each of the three financial years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements.</p> <p>23. External auditor's report The issuer's audited financial statements for the three financial years immediately preceding the date of the publication of the prospectus, in addition to the most recent interim financial statements, must be enclosed.</p> <p>24. Guarantees Where a guarantee, pledge or other similar commitment is to be provided the following information must be included:</p> <ol style="list-style-type: none"> 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. <p>25. Bylaws The issuer's bylaws must be enclosed.</p> | |

| Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority | | | |
|--|--------------------|--|--|
| # | Current Provisions | Provisions after Proposed Amendments | Clarification (If any) |
| 1) | - | Convertible debt instrument: A debt instrument whose holder has the right to convert it into shares of the company issuing that instrument. | The proposed amendment aims to add a definition for the term "convertible debt instrument" in the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority. |



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| 2) | - | <p>Exchangeable debt instrument: A debt instrument whose holder has the right to exchange it for shares in a company in which the issuer of that instrument owns a number of shares equal to or greater than the number of shares that can be exchanged for the exchangeable debt instrument.</p> | <p>The proposed amendment aims to add a definition for the term “exchangeable debt instrument” in the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority.</p> |