

# Offering & Listing of Securities Rulebook “Second Market”

## CHAPTER ONE

### Article (1) Definitions

In the Application of the provisions of this Regulation, the following words and expressions shall have the meanings shown against each of them, unless the context indicates otherwise:

State	: State of Qatar
QFMA	: Qatar Financial Markets Authority established as per Law No. (33) of 2005 and its amendments.
Market	: The organized Market subject to the supervision of the QFMA or where trading in Securities is supposed to take place.
Primary Market	: The Market where the Issuer offers Securities for public or private subscription by investors.
Secondary Market	: The Market where Securities are traded between investors and which consists of the Main Market and the Second Market.
Main Market	: The Market where the trading in the shares of companies that satisfy all of the requirements as per the specified standards.
Second Market	: The Market consisting of several categories determined by QFMA, or which is established by a Market subject to supervision after QFMA's approval. In this Market, shares of the companies that do not satisfy the requirements for trading in the Main Market or shares of the newly established companies or any other Securities or financial instruments identified by QFMA, are traded.
Advisor	: The offering or Listing Advisor, as the case may be, who fulfils the tasks mentioned in Article (11) of this Regulation.
Information Memorandum	: Information about the offering or Listing, as stipulated in the related article of this Regulation.
Listing	: Authorization for the Listing of Securities by QFMA.
Approval of Trading	: Approval of the Securities to be traded in the Market.
Applicant	: The party issuing the Securities, subject of the Application.

Application	: The request submitted to the QFMA from the Issuer for the offering or Listing of its Securities.
Senior Management	: Chairman, Members of the Issuer's Board of Directors, Executives or any equivalent as the case may be as well as the Senior Executive Management.
Senior Executive Management	: The first executive officer and other executive officers reporting directly to him.
Securities	: Shares and bonds of Qatari joint stock companies, as well as bonds and bills issued by the Government or any of the national authorities or Qatari public institutions or the sukuk or any other licensed Securities.
Issuer	: The issuing party or the party that shall issue the Securities.
Local Issuer	: Any Issuer established in the State of Qatar.
Foreign Issuer	: Any issuing party established and having its head office outside the State.
Foreign Stock Exchange	: A stock exchange established and having its head office outside the State.
Person	: Any natural or legal Person.
Subsidiary	: Any company considering the Issuer as a holding company.
Inside Information	: Information which has not been disclosed to the public.

## **CHAPTER TWO**

### **General Provisions**

#### Article (2)

##### Issue of Annexes

The QFMA shall issue any annexes related to offering or Listing any Securities not included in the Listing conditions, and to all essential and periodic disclosures, including the contents of the Information Memorandum depending on the type of the Securities, whereas these annexes shall be considered as an integral part, explanatory or complementary to the provisions of this Regulation and having the same effect thereof.

#### Article (3)

##### Dissemination of Information

Any relevant information to be published by the Issuer shall be disseminated by virtue of the provisions of this Regulation, in Arabic and English if possible, on the website of the Issuer and the Market.

#### Article (4)

##### Additional Information

The QFMA may, when considering the offering or Listing Application, request any additional information not included in the Application or request the Applicant to answer any specific questions or undertake further investigation and enquire about any information provided, as appropriate.

#### Article (5)

##### Scope of Implementation

- 1- This Regulation shall apply to all offering or Listing Applicants in the Second Market.
- 2- This Regulation shall not apply to private offerings. The offering shall be considered private if it is addressed to current Securities' holders or addressed directly to potential buyers not exceeding 100 and without sending any invitation to the public.
- 3- Qualified investors having sufficient experience to invest in the security Market shall be exempted from submitting an Information Memorandum, as they do not require same protection as the ordinary investors, including but not limited to:
  - A. Financial services companies licensed by QFMA or Qatar Central Bank or any other supervisory authority in Qatar.
  - B. Insurance companies.
  - C. Investment funds.
  - D. Governments and governmental institutions.
  - E. Individual investors with high worth.
  - F. Strategic investors.

Article (6)  
Continuing Compliance

- 1- The continuing compliance of the Issuer with the terms and requirements of this Regulation shall be considered as a condition for continuing the Listing of its Securities.
- 2- The QFMA shall monitor the Issuer's compliance with the provisions of this Regulation.

Article (7)  
Obtaining QFMA's Approval

The Applicant shall not offer Securities to the public in the State of Qatar unless after:

- A- Preparing an Information Memorandum containing a comprehensive, adequate and correct disclosure of all the information that may be of interest to the investors, as determined by QFMA in this regard.
- B- Obtaining the approval of QFMA before starting the offering process.
- C- Fully paying the previously issued capital, provided that equities shall not be less than the paid-up capital according to the latest audited financial Statements, in the case of offering the shares.

Article (8)  
Duration of the Offering Period

The duration for the Securities' offering period shall not be less than two weeks and not more than four weeks, and may be extended for another two weeks, based on justified reasons.

Article (9)  
Allocation & Refund of Excess Funds

- A- The Issuer shall complete the allocation process and the distribution of the subscribed Securities to the subscriber within a period of not more than one week from the end date of the offer Applications.
- B- The Issuer shall refund excess funds to the offer Applicants not more than one week from the date of the allocations referred to in (A) above.

Article (10)  
Appointment of a Listing Advisor

- 1- The Issuer applying to the QFMA for offering or Listing of Securities shall appoint an Advisor upon offering or Listing decisions; the Advisor shall work together with the company along its Listing period as long as it remains listed in the Market. The company shall further notify the QFMA and the Market within one

- month at least in the event of contract termination with the Advisor and inform them of the new Advisor in the same period.
- 2- In the event of resignation of the Listing Advisor, the company shall appoint a new Listing Advisor during a maximum period of two months from the date of the first Advisor's resignation.

Article (11)  
Tasks of the Listing Advisor

The Advisor shall perform the following:

1. Take necessary actions for obtaining relevant approvals; Oversee and provide advice to the offering or Listing Applicant regarding legal, financial and procedural matters related to the offering or Listing processes, and shall be considered as the liaison Person between the QFMA and the Applicant.
2. Ensure that the offering or Listing Applications are in conformity with legal requirements.
3. Ensure that the offering or Listing Applicant has taken all necessary measures to fulfill the conditions and requirements of the offering or Listing process.
4. Ensure that the information disclosed in the Information Memorandum is correct and complete and does not include misleading information or omit information.
5. Supervise and coordinate the activities of Persons who provide services related to the offering or Listing Application and assume any responsibility thereof.
6. Take reasonable measures to make sure that the members of the Senior Management of the Issuer are aware of their responsibilities under this Regulation.
7. The Advisor shall submit a written confirmation showing that he has met the conditions set forth in the provisions of Article (12) of the Offering & Listing Regulation.
8. Provide advice to the company in terms of the methods of complying with the disclosure rules and continuance of Listing thereof at Qatar Exchange.
9. Constantly notifying the Market as required about the company's conformity with the adopted Listing criteria.
10. The accredited Advisor shall be responsible with the company's Board members for the accuracy of information mentioned in the offering or Listing's Information Memorandum.
11. In the event of the company's non-compliance with the disclosure rules, the Listing Advisor shall submit what proves that the company has taken all necessary measures to rectify the situation.

Article (12)  
Characteristics of the Listing Advisor

The Listing Advisor shall have the following characteristics:

- 1- Shall be a financial services company licensed by the QFMA to provide consultancy services on the management of Securities or initial public offering.
- 2- Shall be independent from the offering or Listing Applicant, that means;
  - A- Shall not have any interest in the offering or Listing process.
  - B- Shall not have, or any member of its board of directors or senior executives or shareholders, any interest or Personal or business or financial relationship or any other kind of relationship with the offering or Listing Applicant, or with any member of its board of directors or Senior Executive Management.
- 3- The provisions of independence mentioned in clause (2) of this Article apply to any sub-Advisor who provides Information Memorandum related services including auditing, legal services, assets evaluation and other services.

## **CHAPTER THREE**

### **Requirements of Listing Securities**

#### **SECTION 1**

##### **General Requirements**

##### Article (13)

##### Incorporation

The Applicant shall obtain all approvals and satisfy incorporation and registration requirements under the law of the State or place of incorporation of the Applicant.

##### Article (14)

##### Validity & Compliance with Laws

The Securities shall meet the following conditions in order to be approved for offering or Listing:

- 1- Shall be in compliance with the relevant applicable laws.
- 2- Shall be duly licensed and in accordance with the memorandum of association and the articles of association of the Issuer.
- 3- Shall be of the type specified by QFMA, as being able to be listed and traded (except for any limitation imposed by the laws of the State of Qatar).

##### Article (15)

##### Securities Covered by the Listing Application

The Listing Application shall be related to all Securities of same category, whether issued or will be issued. When new Securities are issued of same category as already listed Securities, they shall be listed after issuance and QFMA shall be provided with necessary approvals to list these Securities.

##### Article (16)

##### Financial Statements of the New Applicant

- 1- The new Listing Applicant shall publish or submit audited financial Statements:
  - A. Prepared in accordance with the international accounting standards and international financial reporting standards.
  - B. Cover one fiscal year at least, if applicable.
  - C. Provide consolidated financial Statements, if applicable.
  - D. The financial Statements shall be independently audited and a relevant report shall be prepared by an approved auditor without any reservations.



- 2- The Applicant shall submit interim financial Statements if the date of submission of the Application exceeds six months after the end of the last audited fiscal year.

Article (17)  
Interim Financial Statements

If the date of submission of the Information Memorandum exceeds six months after the end of the last audited fiscal year, it should include interim financial Statements which may not be audited (in that case, this fact should be Stated) and covering the first six months at least of the following fiscal year. In that case, the Applicant shall provide a written letter confirming that, during this interim period:

- (A) There were no changes that may negatively affect the performance or the assets or the financial position of the Issuer and its subsidiaries.
- (B) There were no substantive changes to the existing assets or liabilities of the Issuer.
- (C) There is no contingent liability by the guarantors or similar overdue payment undertakings by the Issuer or any of the companies or subsidiaries.

Article (18)  
Listing of Convertible Securities

Convertible Securities may be listed where the Securities to who they may be converted are, or will be at the same time:

- (1) Listed Securities
- (2) Listed Securities in a foreign exchange which is approved by QFMA.

Article (19)  
Foreign Issuers

- (1) QFMA may list Securities issued by Foreign Issuers.
- (2) The Application submitted by the Foreign Issuer to the QFMA shall be in Arabic or English.
- (3) The QFMA may exempt a Foreign Issuer from submitting some of the documents required for the Application, including whether there is a similar document available to investors (in Arabic), and this is considered a condition for submitting the Information Memorandum.

Article (20)  
Additional Requirements

The QFMA shall issue any annexes to this Regulation which contains additional requirements and controls when deemed necessary to

implement the principles set forth in the law and the regulations of the QFMA.

## SECTION 2

### Article (21)

#### Requirements of the Applicant Company

The offering or Listing Applicant Company shall satisfy the following requirements:

The company shall meet the requirements established under the Qatari Laws or the law of its country of incorporation.

1. The issued capital shall be fully paid (in case of an offering).
2. The company's shareholders' equity shall not be less than (75%) of the paid up capital according to the latest audited financial Statements.
3. The company's memorandum and articles of association shall allow the issuance of tradable shares.
4. Its subscribed capital shall not be less than QR. (5,000,000).
5. The paid up value of the nominal value shall not be less than 50%, in the event of an Application for Listing.
6. The Issuer shall have been in operation for one year at least and, if applicable and have audited financial Statements for that year.
7. The company's Board of Directors or Senior Executives or main shareholders shall not be finally convicted of a crime that related to morality or dishonesty unless they have been rehabilitated.
8. Shall not have any overdue debts.
9. There should be no doubt or reservation by auditors regarding its ability as a going concern.
10. Shall have invested no less than 75% of its capital on the company's business.
11. Any other requirements determined by QFMA.
12. The QFMA may exempt the company from some of the requirements listed above.

### Article (22)

#### Requirements for Shares, Subject of Application

The shares, subject of the Application, shall be accepted provided that they meet the following requirements:

1. The offering percentage shall not be less than (10%) of the Issuer's capital to the public and the shares shall not be considered held by the public if they are, directly or indirectly, in the possession of:
  - A- A member of the board of directors of the Applicant or his/her spouse or minor children or any Subsidiary of the Applicant.
  - B- Any Person having the right under any agreement in the appointment of a Person to the board of directors of the Applicant.

- C- Any of the main shareholders of the Applicant.
2. In the event of other companies approved by QFMA for admission of Listing, the offering percentage shall not be less than (10%) of the Issuer's capital within a period not exceeding one year from the date of admission to trading.
  3. The shares have been issued or will be issued, as provided for in the relevant laws, the memorandum of association and the articles of association of the company requesting the offering or the Listing.
  4. The company has obtained all relevant licenses and approvals.
  5. The shares shall be of equal nominal value and give owners equal rights and obligations.
  6. The shares shall be negotiable and transferrable without condition or restriction and are eligible for electronic settlement.
  7. Additional shares shall be listed after the completion of the issuance procedures and distribution of issued shares to owners. Within three days The company shall submit a request to QFMA in this respect.
  8. Upon Listing, the shareholders of the Applicant shall not be less than 20 shareholders. This number shall be deemed a permanent requirement for continuance of Listing in the Second Market, and in the event the number was less than that, the company shall rectify its situation within a period not exceeding one month.
  9. 50% of shareholders' shares of a private Shareholding Company which was converted into a public shareholding company shall not be traded for one year starting from the date of share trading.
  10. The ownership record of Securities shall be submitted to the depository body and shall be approved and kept in electronic format in accordance with the relevant requirements or shall be converted to this format during a specific period.
  11. The company's articles of association do not include any restrictions on the trading of issued Securities.

## **CHAPTER FOUR**

### **Disclosure Requirements**

#### Article (23) Minimum Requirement

- 1- The Information Memorandum, mentioned in this Regulation, shall include the information provided for in Annex (1) hereto.
- 2- The satisfaction of the conditions and requirements of disclosure provided in this Regulation is the minimum requirement for the offering or Listing Applicant to disclose, to enable investors and their consultants to assess the costs, benefits and risks of investing in the relevant Securities, and estimate their appropriate prices. The members of the board of Directors, the Senior Executive Management and the Advisor shall use all efforts to ensure complete, proper and sufficient disclosure of all the information that may be of interest to investors.

#### Article (24) Exemption from Compliance with Preparing the Information Memorandum

Without prejudice to the provisions of Clause (3) of Article (5) hereof, the Issuer shall be exempted from the preparation of the Information Memorandum if:

- A- The offering was made to the current owners of the Securities, or to less than 100 Persons in the State of Qatar.
- B- The offered Securities represented, over 12 months, less than 10% of the number of Securities of the same approved category.
- C- The Securities were offered in accordance with an acquisition process through a public exchange offer.
- D- The available document, depending on the circumstances (in Arabic and English) includes information similar to the Information Memorandum, such as the number and nature of Securities as well as the reasons and details for the offering.
- E- The Securities were offered and allocated exclusively for current or past managers or employees and the Securities were of the same class as those accepted for dealing in the same Market.

#### Article (25) QFMA Disclaimer

The party submitting an Application to the QFMA for approving the Securities' offering or Listing, shall comply with the requirements of the Information Memorandum and the front cover thereof shall include in clear handwriting the following:

- 1- QFMA shall bear no liability for the validity, comprehensiveness and sufficiency of the details and information mentioned in this Information Memorandum, and QFMA explicitly declares that it

bears no liability for any loss which could be incurred by any Person taking decisions according to the whole or some of the aforesaid details or information.

2- Name of the Advisor along with the following information:

- The Second Market is a Market for small and growing companies.
- The investor shall be aware of the risks that may result from investment in such companies and shall take his investment decision after consulting an independent legal or financial expert.
- All companies regulated by the Second Market shall appoint an Advisor who shall commit to comply with QFMA rules and conditions as per the third Annex of this Regulation.

#### Article (26)

##### Acknowledgment of Responsibility

The Information Memorandum shall include on the inside front cover, in clear handwriting, inside a frame, the acknowledgment of responsibility, as follows:

We, the members of the Board of Directors and the Senior Executive Management of (name of the party offering the Securities), whose names and signatures are mentioned below, assume full responsibility separately or jointly for the information and details mentioned herein, and we declare that the information and included in the Information Memorandum are true and do not omit any information that would make the information less significant, comprehensive and sufficient.

#### Article (27)

##### Information on Securities

Each Issuer requesting offering or Listing of Securities should provide complete, comprehensive and correct information on the description and conditions of the Securities for offering or Listing. Without limiting the generality of this text, the Information Memorandum shall include the information provided in the annexes or enclosures according to the type of Security.

#### Article (28)

##### Risk Statement

The Statement mentioned below shall be written on the first page of the Information Memorandum, inside a frame, in large handwriting:

In order to obtain information on the risks that the investors should take into consideration, please refer to the risk analysis mentioned in this Information Memorandum from pages (...) to (...).

### Article (29)

#### Report on the Period Following the Last Audited Financial Statements

A report from the Board of Directors of the offering or Listing Applicant shall be included in the Information Memorandum, indicating that during the period between the date of the latest audited accounts and that of preparing the Information Memorandum:

- 1- The activities of the Applicant or its subsidiaries have been satisfactorily managed.
- 2- The performance or assets or the financial position of the company or any of its subsidiaries have not been the subject of any adverse events which affect their performance.
- 3- The current assets of the company or its subsidiaries appearing in the books are realistic and reasonable.
- 4- No conditional obligations have resulted from guarantees (payment undertakings) or indemnities which had been issued by the company or its subsidiaries.

### Article (30)

#### Auditor's Report

The Information Memorandum shall include a report from the auditor:

- 1- It shall mention that it was prepared to be enclosed with the Information Memorandum.
- 2- The report shall address the financial accounts of the offering or Listing Applicant for the past year, if applicable. If the revenue from issuing the Securities will be used in the entire or partial acquisition of another company, the report shall include analyses and comments on the financial Statements of the other company for this year, if applicable.
- 3- The auditor's report shall include the projections requested pursuant to this Regulation.
- 4- The auditor shall State clearly and adequately any reservations on the financial Statements for the past years or the future expectations.

### Article (31)

#### Experts' Reports

The Information Memorandum shall not include any report prepared by an expert, unless it was prepared within three months before the date of preparing the Information Memorandum, which makes the information it includes relevant to a beneficial for the investors. However, if the report was made on a date not within the above-mentioned period and the Issuer wishes to publish it, the expert shall confirm that the current report will not be different in terms of the fundamental content; otherwise the report shall be updated.

Article (32)  
Agreeing on Mentioning the Name

In case the name of any Person, such as the adviser or the auditor or the expert, or any other Person, was mentioned in the Information Memorandum, that Person's approval should be previously obtained.

Article (33)  
Organization of the Content of the Information Memorandum

The Applicant shall organize the content of the Information Memorandum as set out in the enclosures or annexes for the relevant security.

Article (34)  
Submission of the Offering or Listing Application

The party wishing to offer or list the Securities should submit to the QFMA an Application which shall include:

1. An original copy of the Information Memorandum in addition to four copies of it.
2. Two copies of the offering invitation in Arabic and English.
3. A copy of the resolution of the General Assembly of the Issuer, on approving the issuance of the shares to be offered or listed, if the articles of association of the Issuer required such resolution.
4. A copy of the resolution of the Board of Directors on approving the offering or the Listing of the shares to be offered or listed.
5. If the Information Memorandum issued by the Issuer included a declaration from its relevant manager concerning the sufficiency of the operating capital, a written letter issued by the Advisor, confirming that the declaration relating to the sufficiency of the capital has been issued by the managers of the Issuer, should be attached to the Information Memorandum.
6. If the Information Memorandum included a Statement of the expected profits, a written letter issued by the Advisor, confirming that this Statement was issued by the managers of the Issuer, should be enclosed.
7. The financial Statements of the Issuer. If the latter was a (parent) holding company, the consolidated financial Statements should be provided to it and to its subsidiaries for twelve months in order to submit the offering or Listing Application, if applicable.
8. A copy of the agreement made with the Advisor.
9. A copy of the agreement made with the Person undertaking to cover the issuance (if any).
10. Acknowledgment from the accredited Advisor and the company to submit all required data and information related to Listing in the Market and fulfill the obligations arising from the Listing process.
11. Any other requirements by the QFMA.

12. The QFMA may exempt the company from some of the requirements mentioned above.

Article (35)

Simultaneous or Successive Applications

- A- The offering or Listing Applications may be submitted to the QFMA at one time, and the Listing Application may be submitted after obtaining the QFMA's approval.
- B- In case the offering and Listing Applications were submitted together, the Applicant shall not be requested to provide the information twice.
- C- In case the Listing Application is submitted six months after the offering the Applicant should satisfy all the requirements provided for in this rules.
- D- The Application for Listing and the Application for trading may be both submitted to the QFMA and the Market respectively at the same time. The trading Application may also be submitted to the Market within a period not exceeding six months from the date of obtaining the Listing approval from the QFMA, otherwise the license shall be deemed cancelled by the lapse of this period without the submission of the trading Application to the Market, unless the Applicant presents justified reasons satisfactory to the QFMA.

Article (36)

Settling Concurrent or Successive Applications

- 1- Subject to the provisions of paragraph (2) below, the QFMA shall notify the Applicant in writing of its decision regarding the Application within "thirty" working days of receiving all the requested documents and information, unless the Applicant was informed of extending this period for "thirty" other working days, or until further notice is given at the discretion of the QFMA and due to reasons required for the public interest.
- 2- The QFMA may at any time, but not after the last day of the period during which the QFMA considers the Application, which is specified in paragraph (1) of this Article, or any extended period, according to the circumstances, request by virtue of a written notice from the Applicant to provide specific information in the form specified by the QFMA regarding the Application. In that case, the period given for considering the Application, which is specified in paragraph (1) of this Article, or any extended period according to the provisions of this paragraph, shall be extended automatically for "ten" more working days.



Article (37)  
Right of Appeal

If the Application is refused, the Applicant may appeal against the decision to refuse in accordance with the QFMA's law, regulations and rules within fifteen days from the date of being notified of the decision.

Article (38)  
Mentioning the Information Memorandum in the Public Offering Invitation

The public offering invitation should indicate that the investor should read the Information Memorandum approved by the QFMA, before investing in the offered Securities.

Article (39)  
Supplementary Information Memorandum

The Issuer, whenever informed, after the commencement of the Information Memorandum which was delivered to the QFMA, and before trading in Securities, shall provide the QFMA with:

- A- Any important change that affects any matter mentioned in the Information Memorandum, which shall be included in the Information Memorandum according to these provisions, or upon the QFMA's request.
- B- New important information, which shall be published, if it was obtained during this period.

The Issuer shall inform the QFMA immediately of the same and submit a supplementary Information Memorandum about the change or the new matter, for publishing after approval by the QFMA.

Article (40)  
Announcing the Trading Date

- 1- If QFMA approves the Application for Listing the Securities and the Market approves the trading in the same, the Applicant shall within two working days at most after obtaining the approval of the QFMA and the Market issue a public announcement that should be published in two local newspapers at least, one of which is in Arabic, within one week at least from the date of the trading. The notice shall include the following:
  - The name, headquarters and address of the Applicant.
  - The name and address of the Listing Adviser.
  - Type, quantity, nominal value of the security and its duration, if applicable.
  - The location to obtain of the Information Memorandum.
  - The Market in which the Securities will be traded.
  - Expected date for commencement of the trading.

- 2- In the event of providing some of the above-mentioned in the offering announcement provided for in these provisions, or included in the submission of the offering Application, the Applicant shall mention what information is not Stated in the offer announcement or upon the submission of the Application, provided that the period between the two notices is not more than (sixty) days.

#### Article (41)

##### Exemption from Resubmission of Information

In case the offering and Listing Applications were submitted at the same time or the Listing Application was submitted within ninety days of completion of the offering, any information requested for Listing, which was provided by the Applicant to the QFMA with the offering Application, shall be considered as submitted with the Listing Application and, thus, the Applicant shall not be required to provide it again to the QFMA with the Listing Application.

#### Article (42)

##### Validity of the Information Memorandum

- 1- The Information Memorandum is valid for six months from the approval date by QFMA; therefore the Applicant shall not apply for offering or Listing Securities according to the information mentioned in the Information Memorandum after six months from the approval date.
- 2- The offering or Listing Applicant shall clarify in the Information Memorandum and in the announcement issued to the public regarding the offering and the Listing or the beginning of the trading, that the Information Memorandum is valid for six months only from the date of approval by QFMA.
- 3- The offering period shall end before the end date of the Information Memorandum.

#### Article (43)

##### Immediate Disclosure

- 1- The Issuer of the Securities listed and traded on the Market shall immediately notify the QFMA and the Market and in any means available, all events or information that may affect the Securities prices.
- 2- If the notification was in writing about these developments or events, a copy shall be delivered to the QFMA and another to the Market where the Securities are traded, and a summary of the Statement shall be published in two local daily newspapers, one of which should be in Arabic.

Article (44)  
Periodic Disclosure

- A- After obtaining the approval of the QFMA to list Securities on the Market, the Issuer shall throughout the period of Listing and trading of Securities, prepare and publish periodic reports (and provide the QFMA and the Market with a copy thereof) as provided for in this Article.
- B- The periodic reports shall be prepared on a quarterly, semi-annual and annual basis.
- C- The quarterly reports shall be prepared and published within a period not exceeding (thirty) days from the end of the relevant quarter, and the semi-annual within a period not exceeding (forty five) days from the end of the relevant half year, and the annual within a period not exceeding (ninety) days of the end of the fiscal year of the Issuer.
- D- The semi-annual reports shall be reviewed and the annual reports audited by the auditor of the Issuer's accounts.
- E- The annual report shall include the operating results for the entire fiscal year of the Issuer of the listed Securities, the cash flows during the year and the financial position at the end of the year. The report shall include a comprehensive analysis of performance and financial position compared with the previous year and expectations for next year. The report shall also include the expectations of the Board of Directors regarding the ability of the Issuer to continue running its activity successfully and fulfill its obligations.
- F- The QFMA may request the Issuer to prepare a report on the cash liquidity and disclose thereof every three months or at any other times determined by QFMA.

Article (45)  
Determining Lock-Up Periods

The QFMA shall have the right to determine the periods during which the Chairman, the members of the Board of Directors and the executive officers of any Issuer having traded Securities in the Market, are prohibited from buying or selling Securities for their accounts or on behalf of others, whether directly or indirectly, and in all cases it is prohibited to provide information not disclosed to the public or to trade in Securities (buying or selling) based on information which has not been disclosed to the public.

Article (46)  
Disclosure of Immediate & Periodic Information

The Issuer shall disclose immediate and periodic information to the QFMA and the Market where Securities are traded through its internet website and in two local daily newspapers, one of which in Arabic, in the event of the disclosure of periodic financial Statements. The

Market shall disclose the information received from Issuers on its internet website.

Article (47)  
Initial Disclosure

If the Issuer experiences any serious and unexpected event, disclosure may be delayed for a short period if it is necessary to explain the situation, and in such case, when there is a risk of leaking of Inside Information before this is disclosed, the Issuer may make an initial announcement. The disclosure will:

- (1) Give enough relevant details.
- (2) Determine the reason why the declaration cannot be published in detail.
- (3) Pledging to publish more details as soon as possible.

If the Issuer is unable to publish the declaration or is restrained from publishing it, immediate action should be taken to stop trading in shares until the notice is published.

Article (48)  
Delaying the Disclosure of Information

The Issuer may, at its own risk, postpone the disclosure of information to prevent damaging its legitimate interests in cases requiring the postponement, including without limitation:

1. Ongoing negotiations or related events, when it is likely that the negotiations will be by public disclosure.
2. If the decisions taken or contracts entered by the Board of Directors of the Issuer requires the approval of another entity until becoming enforceable, provided that the public disclosure of information before such approval, would damage the proper assessment of the information by the public.

The delay in disclosure shall not:

- (1) Mislead the public.
- (2) Any Person receiving the information shall be committed to maintain confidentiality.
- (3) The Issuer shall be able to ensure the confidentiality of the information.

Article (49)  
Limited Disclosure

- (1) The Issuer may be allowed, depending on the circumstances, to disclose to a certain Persons the Inside Information, in addition to the employees who may need the information to perform their functions. These Persons include without limitation:

- a) Consultants and Advisors of the Issuer and other concerned Persons.
  - b) Persons with whom the Issuer negotiates, or will negotiate regarding any commercial, financial or Investment transactions.
  - c) Staff representatives or trade unions acting on their behalf.
  - d) Any government department, or Qatar Central Bank or any other legal or supervisory authority or the QFMA.
  - e) The Issuer's lenders.
  - f) Agencies determining credit ratings.
- (2) The Issuer, in case of limited disclosure, shall take the procedures stipulated in Article (65) of the present rules.

Article (50)  
Exemption from Disclosing Information

The QFMA may accept the non-disclosure of some information by the Applicant for the offering or Listing or issuance for those Securities listed and traded in the Market, in the following cases:

- A- If the non-availability of the information does not significantly affect the capacity of the investors to know or assess the costs, benefits, and risks of investment in the Securities.
- B- If the disclosure of the information is expected to adversely affect the interests of the Applicant to the offering or Listing or the Issuer of all such Securities, listed and traded in the Market.
- C- If the QFMA approves the non-disclosure of information, the party requesting such approval shall:
  - 1- Control the dissemination of such information and limit its scope as much as possible.
  - 2- Obtain written acknowledgments from all such Persons who may know the relevant information, whereby they shall acknowledge they shall not use the same for their Personal interest, and non-disclosure of the same to others.
  - 3- Monitor the trading by the Persons mentioned in Paragraph (B) of the present Article, and the trading by their relatives or their close Personal, commercial or financial contacts, in all relevant Securities.

Article (51)  
Responsibility for the Accuracy & Timing of Disclosure

The Issuer shall be responsible for the accuracy and authenticity of contents, and the time of disclosing information, and the QFMA and the Market shall not be held responsible for the same.

Article (52)  
Clarification

In the event that there is any unusual trading, or any big increase or sharp decreases or variations in the prices or number of the Securities listed and traded in the Market, the Issuer shall immediately respond to a request from QFMA or the Market for the submission of all information that clarifies such increase, decrease or unusual trading.

Article (53)  
Simultaneous Disclosure

The Issuer shall ensure that disclosure of information to the public shall be as simultaneous as possible, in all areas and regions where the Securities are issued, listed or traded.

Article (54)  
Notifying the QFMA of Material Events

The Applicant for offering or Listing or the Issuer of listed and traded Securities in the Market shall notify the QFMA, immediately and without delay, of any of the following events:

- 1- If the trading was halted, or the suspension or cancelation of Listing of part of the Securities in a Foreign Stock Exchange or cancelled.
- 2- If any Securities of a Subsidiary related to the Applicant for offering or Listing was traded on a local or Foreign Stock Exchange, or the trading thereof was cancelled.
- 3- If a receiver was appointed to the activities and assets of the Applicant for the offering or Listing, the parent company or the Subsidiary.
- 4- A petition to appoint, or if a liquidator was appointed to the activities of the Issuer of the offering or Listing Applicant, the parent company or the Subsidiary.
- 5- If the shareholders took the decision to liquidate and dissolve the Applicant for the offering or Listing Applicant, the parent company or the Subsidiary.
- 6- The sale of more than 10% of the total assets of the Applicant for the offering or Listing, the parent company or the Subsidiary.
- 7- If the Applicant for the offering or Listing, the parent company or the Subsidiary enter into negotiations for merger or acquisition.
- 8- If a lawsuit was brought by or against the Issuer.
- 9- If a legal order was issued in favor or against the Issuer.
- 10- If the court issues an order which affects the capacity of the Applicant for the offering or Listing, the parent company or the Subsidiary to dispose of more than 10% of the total assets.
- 11- If any change was made to the memorandum of association, the articles of association or the address.

- 12- If any change was made to the information related to the members of the board of directors and the Senior Executive Management.
- 13- The meeting of the general assembly of the Issuer.

Article (55)

Listing for Trading in a Foreign Stock Market

The Local Issuer, licensed to List its Securities from the QFMA in a local Market, shall not List the same for trading in a Foreign Stock Exchange, unless it has received prior approval from the QFMA.

Article (56)

Markets subject of the Listing Process

Shares shall be traded in the Second Market after all Listing requirements mentioned herein are fulfilled.

## **Chapter Five**

### **Suspension, Cancellation and Re-Listing of Securities Listing**

#### **Section 1**

##### **Suspension of Securities Listing**

###### **Article 57**

###### **Listing Suspension by the QFMA**

The QFMA may order the suspension of the Listing of the Securities, if the Market is at risk or is likely to be at risk, or in the event where the suspension is necessary for the protection of the investors, in the following cases (including without limitation):

1. If any part of the Securities are converted, or commence to be converted to other Securities, until all necessary formalities are completed by the concerned parties.
2. The announcement of any proposal for changing the rights of the Securities holders or changing the issuance or Listing, until all necessary formalities are completed by the concerned authorities.
3. When any reservation is issued by an auditor concerning the performance of the listed Issuer and its relevant financial statements, until such reservations are resolved.
4. If the normal business of the Issuer ceases for more than three months without reasonable grounds.
5. In all cases where the capital is decreased, from the date of the general assembly meeting in which the decrease decision is taken, until all legal and official procedures are completed, and the effective capital decrease procedures are completed.
6. If the listed Issuer persists in not disclosing information, or making the same available to the QFMA, the Market, or the Securities holders in a proper and timely manner.
7. If an order is issued by a judicial or governmental authority suspending the activities of the listed Issuer.
8. In case of failing to pay any fees due to the QFMA in a timely manner, and without reasonable grounds.
9. Violation of the regulations, or non-fulfillment of the applicable conditions and requirements in the Market where the Securities are traded.
10. Any other reason related to the protection of the investors or the public interest, as deemed appropriate by the QFMA.

###### **Article 58**

###### **Listing Suspension at the request of the Issuer**

1. The QFMA may, at its discretion, suspend the Listing at the request of the Issuer based on valid reasons.



2. The notification by the Issuer for the suspension of Securities Listing shall be in writing, and shall include the following:
  - a) The name of the Issuer.
  - b) The reasons why the suspension will not be harmful to the investors.
    - 1- Details of the Securities the subject of notification.
    - 2- A clear explanation of the grounds and reasons for suspension, including a statement that the suspension and time of the same do not cause harm to investors in the Securities.
    - 3- The date on which the Issuer wishes to suspend the Listing.
    - 4- If applicable, a copy of the circular or declaration or other documents sent to the Securities holders, on which the request of the Issuer is based.
    - 5- If applicable, proof of the resolution required by the shareholders.
    - 6- Name and contact details of the person related to the Issuer, with whom the QFMA may deal in regard to the suspension process.
    - 7- Copy of the declaration proposed by the Issuer for notifying the market of the suspension process.

## **Section 2**

### Securities Listing Cancellation

#### Article 59

#### Listing Cancellation by the QFMA

The QFMA may cancel the Listing in the following cases:

- a) If a decision was issued to liquidate or dissolve the Issuer.
- b) If the legal person of the Issuer does not exist anymore due to a merging process.
- c) If the legal entity of the listed shareholding company has converted to a non-shareholding company.
- d) If the listing and trading of the company's shares was suspended for more than six months.
- e) Any other reason related to the protection of investors or the public interest, as deemed by the QFMA.

## **Section 3**

### Re-Listing of Securities

#### Article 60

#### Re-Listing in case of Suspension

1. The re-Listing process takes place, in case of suspension, by QFMA, according to the following:

- a. If the QFMA considers that there is no longer a risk to the operation of the Market.
  - b. If the suspension is no longer required for protection of the investors.
  - c. If the Issuer provides QFMA with evidence to prove that it took all necessary measures to resolve the reasons for the suspension.
2. The re-Listing takes place, in case of a request for suspension by the Issuer, according to the following:
    - a. Upon a request for re-listing submitted to the QFMA by the concerned Issuer.
    - b. The request shall state the reasons which lead to suspension that have been rectified.
    - c. The QFMA may ask for a documentary evidence or other proof or information that show the cessation of the reasons which lead to suspension.

In the event where the QFMA is not convinced of such matters, it may reject the request. In case the reasons for the suspension have ceased, re-List the Securities, even if not requested by the Issuer.

#### Article 61 Re-Listing in case of Cancellation

The re-listing process takes place, in case of cancellation of the same, by submitting a new request to the QFMA, and the aforementioned request shall be handled as if submitted for the first time.

### **Section 4**

#### General Provisions

#### Article 62 Notice related to the Decision of Listing Suspension or Cancellation, and Relevant Requirements

The QFMA shall notify the Issuer Listing the Securities, and the Market where the Securities are traded, of the Listing suspension or cancellation in writing, and the decision comes into force and effect on the date mentioned in the notice.

The Listing suspension or cancellation and the re-Listing of given Securities in any market entails the suspension or cancellation of trading or resumption of trading of said Securities in the same Market.

Article 63  
Trading Cessation

The QFMA may issue a notice to halt trading of any Securities in any Market, if it deems the same necessary for the protection of the trading processes or the investors' rights, or for the public interest, or for any other reasons it considers necessary for halting the trading.

Article 64  
Implementation of QFMA Decision

The decision of QFMA regarding the listing, suspension or cancellation of listing, or the re-listing shall be executed in accordance the applicable procedures of the Market where the Securities are traded.

Article 65  
Appeals

The Issuer listing the Securities may appeal against the decision of the Authority regarding the suspension or cancellation of the relevant Securities Listing before the complaints committee, in accordance with the relevant procedures.

Article 66  
Declarations

The Applicant or the Issuer of Securities listed in the Market may not disclosed to the public or publish information that may affect the prices of such Securities, in any way whatsoever, before providing the QFMA and the market where the relevant securities are traded with such information.

Article 67  
Trading and Settlement

The trading of Securities, the settlement of transactions, and the registration and transfer of ownership shall take place in accordance with all such rules and regulations applied in the market where the securities are traded.

Article 68  
Enabling Securities Holders to Exercise their Rights

The Applicant for offering or Listing shall enable the Securities holders to exercise their rights, and shall, without limiting the generality of this text:

1. Treat all Securities holders equally and fairly.

2. In case of sending a notice or declaration to any of the Securities holders, send a copy thereof to all other Securities holders, according to the law.
3. Ensure that invitations to any meeting are sent within a sufficient period of time, while specifying the meeting agenda, and preparing and enclosing all information that may help the Securities holders take proper decisions.
4. Declare in the local newspapers the settlement of any share dividends or redemption of shares.

#### Article 69

##### Making the Information available to the Public

The Applicant for offering or Listing or the Issuer of the Securities traded in the market shall Make the information and documents mentioned herein available to the public on the website free of charge on or through the adviser or party responsible for covering the issuance process or the Market.

#### Article 70

##### Disclaimer for Contents and Immediate Disclosure

The QFMA shall not be responsible for the contents or immediate disclosure of information required from the Issuer. The accuracy and authenticity of the information or immediate disclosure thereof shall be the responsibility of the Issuer.

#### Article 71

##### Payment of Fees

The applicant for offering or listing, or the Issuer of the Securities traded in the Market shall pay all due fees of the QFMA or the market where the Securities are traded.

#### Article 72

##### Language

The offering or listing application and all documents enclosed thereto shall be submitted in the Arabic language. For non-Qataris, it is allowed to present the same documents in English, provided that the Arabic translation is attached thereto. In case of discrepancy, the Arabic version shall prevail.

#### Article 73

##### Penalties

Each person violating these rules will be subject to the penalties stipulated in the applicable regulations of QFMA, and any other relevant penalties stipulated in other applicable laws in the State of Qatar.

## **Annexes**

### **Annex (1)**

#### **Information Memorandum**

The following information shall be included in the information memorandum, in the event where any request for offering or Listing shares is submitted:

#### **1. The Auditor:**

The names and the addresses of the Issuer auditors for the period covered by the previous financial statements (in addition to their membership in a professional authority). Should the auditors tender their resignation, or in the event where they are dismissed or not re-appointed for the period covered by the previous financial statements, pertinent details shall be explained if considered important and critical.

#### **2. Selected Financial Statements:**

Previous financial statements selected and related to the Issuer. The same are submitted for each fiscal year for the period covered by the previous financial statements, and any subsequent intermediate fiscal period, and in the same currency adopted for the financial reports. The previous financial statements selected shall include the important main figures summarizing the financial status of the Issuer.

#### **3. Risk Factors:**

Clearly disclosing the risk factors related to the Issuer or its relevant activity field, in a specific section entitled "Risk Factors" (listed by priority).

#### **4. Issuer:**

- a. Legal and commercial name of the Issuer;
- b. Date of establishment of the Issuer;
- c. Legal form and registered office of the Issuer, law governing the Issuer, address and phone number of the registered office, and address of the Offering Manager or Listing Adviser;
- d. Any new events related to the Issuer, which are important in the evaluation of the solvency of the Issuer.

#### **5. Summary of Activities:**

Description of the Issuer's operations and main activities thereof, including the principal classifications of products sold and/or services rendered for each fiscal year within the period covered by the previous financial statements.

## **6. Property and Equipment:**

Information about any current or future tangible or fixed assets, including any leased properties, and any charges or principal obligations related thereto.

## **7. Operational and Financial Review:**

- a. Description of the financial status of the Issuer, and any changes thereto, the results of operations for each year and the interim period to be covered by the previous financial statements, including the principal reasons for the changes in the financial statements from year to year, to the extent necessary to understand the overall work process of the Issuer. Such information shall be linked to each unit of the issuer.
- b. Information about the main factors, including rare and one off events or new developments, that may greatly affect the operations income of the Issuer, which indicates how much the income was affected as a result thereof.
- c. Whenever the financial statements show main changes in net revenues or sales, the information memorandum shall include a detailed analysis of the reasons causing such changes.
- d. Information regarding any governmental, economic, financial, monetary or political factors or policies that have affected or are likely to affect, whether directly or indirectly, the operations of the Issuer.
- e. Information about the effect of inflation and/or fluctuation of foreign currency exchange rates, if deemed important.

## **8. Capital Resources:**

- a. Information about the capital resources of the Issuer (on the short and long term), and any information about any restrictions imposed on the use of such capital resources, that may have affected or are likely to affect, whether directly or indirectly, the operations of the Issuer.
- b. Description of the sources and values, and detailed description of the cash flows of the Issuer.
- c. Information about the borrowing requirements and funding structure of the Issuer.
- d. Information about expected sources of funds, which are deemed necessary for fulfilling all needs and obligations.

## **9. Projections and Forecasts of Profits:**

- a. If the Issuer decides to List the profits projections or forecasts, the Information Memorandum shall include the information mentioned hereinafter in clause (a) and clause (b) below:
  - Summary (plan/study) of the economic feasibility.
  - Report prepared by independent accountants or auditors, clarifying that the forecast or projection, in the opinion of the auditor or accountant opinion, was properly prepared

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according to the principle in question, and provided that the accounting principles used to project or forecast the profits conforms to the accounting policies of the Issuer.

- The forecasts or projections of profits shall be prepared on a basis that is comparable to the previous financial statements.
- b. If the profits forecasts or projections were previously published through the Issuer and are still valid, there shall be a statement which clarifies the validity or not of the forecast / projection at the time of the information memorandum, in case of where profit forecast/ projection is no longer valid, it is necessary to explain the reasons for the same.
- c. If the Issuer has submitted a feasibility study or plan, they shall include:
- A description of the main elements of the plan.
  - Details of the main assumptions underlying any forecasts or projections in the plan, and a confirmation from the Board of Directors of the Issuer stating that each projection/forecast was made properly (after taking all reasonable care to ensure the same).

#### **10. Research and Development:**

If it likely that the research and development would be an essential part of the Issuer's revenues, a description of the research and development policies of the Issuer for each fiscal year within the period covered by the previous financial statements, including the amounts spent on research and development activities sponsored by the Issuer.

#### **11. Board of Directors (BoD) and Senior Management:**

- a. Names of the following persons of the Issuer, and relevant work addresses and functions (and statement of the main activities undertaken by them outside the Issuer when such activities are considered important for the Issuer):
- Members of the Board of Directors
  - Any of the Senior Managers are entitled to confirm that the Issuer has the appropriate experience and knowledge to run its activities.

It is necessary to disclose the nature of any family relationship among any of the aforementioned persons.

- b. In the case of any member of the Board of Directors of the Issuer, and any of the persons mentioned above, it is necessary to submit the relevant management experience and knowledge for such person along with the following information:
- Names of all companies in which the person was a BoD member, at any time in the last five years, while clarifying

whether such person is still a member of the board of the aforementioned company or not.

- Any accusations related to any violations or offences of fraud in the last five years at least.
- Details of any bankruptcy, receivership, or dissolution processes related to the person, in the last five years at least.
- Details of any official accusations and/or sanctions imposed on the person by legislative or judicial authorities (including the competent professional authorities), and whether the person was previously accused by a court of not having legal capacity to act as member of the Board of Directors of an Issuer, or to be charged with managing or running the affairs of any Issuer, in the last five years at least.

If the aforementioned information is not available for disclosure, a statement to this effect shall be prepared to confirm the same.

- c. It is necessary to clearly state the possible conflicts of interests between any of the obligations of the above mentioned persons towards the Issuer and their own interests/obligations. Where such conflicts do not exist, a specific statement shall be made to that effect.
- d. Any arrangement or understanding with the main shareholders, the customers, the suppliers, or others, that provides for selecting any of the aforementioned persons as member of the BoD or member of the Senior Management.

## **12. Bonuses and Benefits:**

- a. The value of any paid bonus (including any conditional or deferred consideration), and in-kind features granted by the Issuer and the affiliated companies to the members of the BoD of the Issuer, the Senior Executive Management, the main shareholders or any of the consultants therein.
- b. Information about the ownership of shares by the persons mentioned in Section 1 above and any option contracts regarding the shares of the Issuer.
- c. Expiry date of the term of the current position, if possible, and the period occupied by those persons mentioned in Section 1 above in the said position.
- d. Information about the employment contracts concluded between the members of the BoD and the Issuer or any pertinent affiliation, that provides for granting end-of-service benefits, or disclaiming the same.
- e. The total sum retained or due by the Issuer or any relevant affiliate, for settling the retirement entitlements, or the end-of-service benefits, or similar payments.



### **13. Main Shareholders:**

- a. To the best of the Issuer's knowledge, it is necessary to specify if the Issuer is owned or controlled, whether directly or indirectly, and through whom, and to describe the nature of such control.
- b. To the best of the Issuer's knowledge, it is necessary to specify the details of any arrangements likely to result later in a change of control over the Issuer.

### **14. Transactions of the Related Parties:**

- a. Details of any transaction with related parties, and which is undertaken by the Issuer within the period covered by the previous financial statements, until the date of the submission of the Information Memorandum.
- b. Whenever any of the related party transactions was not undertaken by the Issuer on an "arm's length" basis, the issuer must justify the same.
- c. The value or percentage of the related party transactions of the total operations of the Issuer.

### **15. Financial Statements:**

1. The audited financial statements covering a fiscal year (if applicable), and the report of the auditor for this year. The aforementioned financial statements shall be prepared according to the International Accounting Standards, and the International Financial Reporting Standards. The previous financial statements audited for the last two years shall be prepared and submitted in conformity with the method adopted for the following annual financial statements of the Issuer, subject to the accounting standards, the legislation and the policies applied thereto. It is necessary to audit the previous financial statements and to prepare pertinent reports to determine if the same presents a true and fair view according to the international financial reporting standards or not, for the purposes of the Information Memorandum. If the audited financial statements were not submitted in the currency of the state, the cash figures shall be in the currency of the state.
2. If the Issuer has published quarterly or half-yearly financial statements from the date of the last financial audited statements, such information shall be provided in the Information Memorandum. In case the quarterly or half-yearly financial statements were reviewed or audited, the audit or review report shall be included as well. In case the quarterly or half-yearly financial statements were not reviewed or audited, this shall be stated.
3. If the Information Memorandum dates back to more than nine months following the end of the last audited fiscal year,

it shall include provisional financial statements that may not be audited (in such case, this shall be stated), covering at least the first six months of the fiscal year.

4. In case of material and substantial change:
  - a. Description of the possible effects of the transaction on the assets, liabilities and profits of the issuing party, and if such transaction was undertaken in the beginning of the relevant period in the report prepared, or on the date covered by the report.
  - b. Initial financial information, including:
    - 1) Description of the transaction and activities, or the entities concerned, along with the relevant period, while clarifying the purpose thereof, and that the same was prepared for clarification purposes only, and that given its nature, relevant information shows the hypothetical position and therefore does not reflect the real financial status of the Issuer or related results.
    - 2) The sources of the initial financial information (if applicable, include the financial statements of the acquired businesses or entities in the Information Memorandum).

It is necessary to prepare the statements consistently with the accounting policies adopted by the Issuer in its last or most recent financial statements, provided that the basis of preparing the information, and the source of each item of the statements and the amendments shall be stated.

- c. The aforementioned statements shall be accompanied with a report prepared by an independent accountant or auditor which clarifies, in its opinion, that the initial financial statements were properly collected according to the relevant practices, and are consistent with the accounting policies of the Issuer.
5. Whenever the financial statements in the Information Memorandum are not extracted from the audited financial statements of the Issuer, the source of statements must be clarified and it must be made clear that the statements are not audited.
6. A document stating that the previous financial statements in the Information Memorandum were audited.
7. If the audit reports of the previous financial statements were rejected by the chartered auditors, or if the same include amendments or disclaimers, such rejection, amendment, or disclaimer shall be mentioned with relevant reasons.

8. The Information Memorandum shall clarify any other statements in the Information Memorandum (if any) that were reviewed by the auditors.

**16. Policy of Stock Dividend:**

Description of the policy followed by the Issuer for the distribution of dividends.

**17. Legal and Arbitration Procedures:**

Information about any governmental, legal or arbitration procedures (including any pending or threatened procedures known by the Issuer), for the period of the last twelve months at least, and which may have or recently had a significant effect on the group of companies of the Issuer in terms of relevant financial position or profitability, or disclaiming the same.

**18. Share Capital:**

- a. The following information shall be included in the previous financial statements from the date of the last balance sheet:
- Amount of the issued capital, for each category of the capital shares.
  - Number of authorized shares.
  - Number of issued shares.
  - The nominal value of the share, or that the shares do not have any nominal value.
- b. The date of issue of the share, capital while specifying any changes, for the period covered by the previous financial statements.
- c. The amount of any transferable Securities, while clarifying the conditions governing such Securities and the transfer procedures thereof.

**19. The Constitutional Documents:**

- a. Summary of the main provisions in the constitutional documents, the memorandum of association and the articles of association, or the by-laws of the Issuer, if any.
- b. Description of the rights, privileges and restrictions relevant to each category of shares.
- c. Description of the procedures necessary for the change of shareholders' rights, while clarifying where the conditions are more indicative than the requirements of the law.
- d. Description of the conditions governing the method of calling an annual general meetings and the extraordinary general meetings of the shareholders.

**20. Operating Capital:**

A statement from the Issuer confirming, in its opinion, that the operating capital is sufficient to fulfill its current needs (for a

period of twelve months), if not, the method proposed to ensure the required additional operating capital.

**21. Capitalization and Indebtedness:**

A statement of capitalization and indebtedness.

**22. Use of Revenue:**

An explanation of the reasons for the offering, and if applicable, the net expected returns, clarifying each main intended use (by priority). If the Issuer is aware that the expected returns are not sufficient to finance all proposed uses, the Issuer must specify the amount and the other requested funding sources.

**23. Approved Securities to be offered:**

- a. Description of the type and category of the approved Securities to be offered.
- b. The law regulating the offering of the approved Securities.
- c. The currency of the approved Securities to be offered.
- d. Indicating whether the approved Securities are to order “to bearer” Securities.
- e. Description of the rights related to the approved Securities, including any restrictions or limits thereof, and the procedures followed to exercise the rights.
- f. In case of new issuances, a statement of the decisions, authorizations and approvals by virtue of which the appropriate Securities were or are to be offered, and the expected date of issue of the relevant Securities.
- g. A description of any restrictions on the transferability of Approved Securities.

**24. Offering Terms and Conditions:**

- a. The conditions and offering statistics, the expected timetable, the procedure for subscription for the approved Securities in accordance with the offering process.
- b. The offering conditions.
- c. The total offering amount, provided that the Securities offered for sale and the Securities offered for subscription shall be distinguished.
- d. The time period during which the offering will take place.
- e. Statement of the situations and circumstances under which the offering may be cancelled or stopped.
- f. Description of the circumstances (if any) under which the price of the shares offered for subscription can be decreased, and if possible, the way of returning additional amounts to the subscribers.
- g. Details of the minimum / maximum subscription amount (whether in terms of the number of Securities or the total sum to be invested).
- h. The method and timetable specified for the settlement of the remaining installments of the approved Securities in total, to deliver the approved Securities, and a full description of the method and date of announcement of the offering results to the public.

- i. The procedure followed to exercise any pre-emptive rights for the shares.
- j. The various categories of potential investors to whom the approved Securities will be offered, to the best of the knowledge of the Issuer, and a statement indicating the intention of the main shareholders and the members of the senior management to participate or not in the offering.
- k. A description of any preferential pre-determined transaction for the specific categories of the investors or other categories in terms of allocation, and the percentage of the number of allocated and offered shares for such preferential transaction, along with the standards of listing in such categories or groups.
- l. Statement of the relevant Securities' offering price.

**25. Registration and Arrangements for Trading:**

A statement showing if there is an application for listing the relevant Securities for trading, if known, the nearest expected date for Listing the approved Securities for trading.

**26. Statements of Experts:**

If the Information Memorandum includes a statement or report of any person in his capacity as an expert, the name, address and qualifications of such person, and that the statement or report in question was inserted in the Information Memorandum with the approval of the person concerned, must be included in the Information Memorandum.

**27. Documents that should be available on the website:**

The Issuer shall provide the following information on its website:

- (1) Articles of association
- (2) Statement of experts
- (3) Historical financial information on the company

**28. Conflict of Interests:**

In the event of a conflict of interests, the Issuer shall provide a detailed description on the relevant persons and the nature of interests.

**Annex (2)**

**Acknowledgement and Commitment of the Members of the Board of Directors**

I, the undersigned, ....., member of the Board of Directors of ..... (Issuer), of ..... nationality, holder of Passport no. ...., hereby confirm the following:

- 1- That I am a member of the Board of Directors in the following companies:  
Company: .....  
Date of appointment: .....
- 2- That I have not been finally convicted of any breach of trust or crime of dishonesty.
- 3- That I have not been refused to settle my debts and that I have not been declared bankrupt.
- 4- Educational Qualifications:  
.....  
.....  
.....
- 5- Professional Experience in the last five years:  
.....  
.....  
.....

The QFMA shall have the absolute power to request from and provide to any stock exchange market, body, agency, or authority charged with the supervision and control of the financial services and activities and with law enforcement, whether inside the state or abroad, any information or data related to me.

Signature  
.....

Name  
.....



**Annex (3)**

**Acknowledgement and Commitment of the Listing Advisor**

I/We, the undersigned, ....., the Advisor appointed through..... (the Issuer), hereby confirm the following:

1. That the Issuer abides by the Securities Offering and Listing Regulations of the Second Market.
2. That the Information Memorandum of the Issuer includes all required information and data.
3. That the Issuer has provided the QFMA with all requested documents with the application.
4. That the managers of the Issuer are aware of their responsibilities and obligations by virtue of the Securities Offering/Listing Regulations of the Second Market and all other pertinent laws in the state, and their own obligations to help and enable the public to estimate and assess the status and position of the Issuer.
5. That the profit forecast statement included in the Information Memorandum was declared after the Issuer conducted all necessary and accurate inquiries.
6. That the Issuer has confirmed in writing that the operating capital of the Issuer fulfills all current objectives thereof, and that the aforementioned written confirmation was issued following an accurate inquiry conducted by the Issuer.
7. That the QFMA shall have the absolute power to notify us in writing should we violate our obligations as stipulated in the Securities Offering/Listing Regulations of the Second Market and the present acknowledgement, and to this effect, the QFMA shall be entitled to stop us from acting as Adviser for any other issuances while declaring such notification and stating pertinent reasons.
8. That the QFMA shall have the absolute power to request any information or data related to us or to the shares to be issued / listed from any stock exchange market, organ, agency, or authority charged with the supervision and control of the financial services and activities and with law enforcement, whether inside the State or abroad, and the QFMA shall have the absolute power to provide such authorities with any information or data related to us or to the shares to be issued / listed.

Signature

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Name

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On behalf of

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