

QFMA’s Board Decision No. (04) of 2020
Concerning the Issuance of
Offering & Listing of Securities on the Financial
Markets Rulebook

The Board of Directors,

Having considered Law No. 8 of 2012 of Qatar Financial Markets Authority; as amended by Decree-Law No. (22) Of 2018;

Law No. 11 of 2015 Promulgating the Commercial Companies Law;

Offering & Listing of Securities Rulebook issued by the Decision of the QFMA’s Board Chairman No. 3 of 2010 and its amendments;

QFMA’s Board Chairman Decision No. 2 of 2011 concerning the Issuance of Offering & Listing of Securities Rulebook “Second Market” and its amendments;

Proposal of the QFMA’s Chief Executive Officer;

QFMA’s Board approval at its 4th meeting of 2020 on 10th of December 2020;

And as required by the public interest,

We have decided the following:

Article (1)

Offering & Listing of Securities on the Financial Markets Rulebook annexed to this decision shall come into full force and effect.

Article (2)

Decision No. 03 of 2010 and No. 03 of 2011 referred to shall hereby be repealed.

Article (3)

All competent authorities, each within its jurisdiction, shall implement this decision. The decision shall be effective from the date of issuance and shall be published in the Official Gazette.

Mohammed Bin Hamad Bin Qassim Al-Thani

Chairman of the Board of Directors

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This is a translation of the Official Arabic version.

In case of any discrepancies, the Arabic version shall prevail.

**Offering & Listing of Securities
on the Financial Markets
Rulebook**

CHAPTER ONE

Definitions and Scope of Implementation

Article (1)

Definitions

In the application of the provisions of this Rulebook, the following words and phrases shall have the meanings adjacent to each, unless the context requires otherwise:

State:	State of Qatar
Ministry:	Ministry of Commerce and Industry
Bank “QCB”:	Qatar Central Bank
Authority “QFMA”:	Qatar Financial Markets Authority.
Law:	Law No. 8 of 2012 concerning Qatar Financial Markets Authority and its amendments.
Authority’s Legislations:	The Law, rules, regulations, decisions and circulars issued by the Authority.
Financial Markets/ Market:	Markets licensed for dealing in securities, pursuant to the Authority’s Legislations.
Depository:	A company licensed by the Authority to carry out the functions of registration, depository, ownership transfer and clearance of securities.
Main Market:	The Market where the trading in the securities of the Issuers that satisfy all of the requirements as per the specified standards in this Rulebook.

Second Market:	The Market carries trading of shares of the companies that not satisfy the requirements for trading in the Main Market, or shares of the Newly Established Issuers, or any other securities or financial instruments identified by the Authority.
Offering/Issuing Manager:	The legal person licensed for conducting procedures related to obtaining approvals of offering and allocating Securities to the subscribing applicants and preparing the final subscription report and any sub procedures.
Listing Advisor:	The legal person authorized to perform the procedures for obtaining the relevant approvals and providing advice for the purposes of Listing and continuing Listing in the Financial Markets.
Public Offering:	Inviting the public, based on a prospectus approved by the Authority, to subscribe to a new security or purchase an existing one.
Offering Prospectus:	The prospectus developed by the Offering Manager in coordination with the Issuer for the purpose of offering securities for Public Offering.
Listing Prospectus:	The prospectus developed by the Listing Advisor for the purpose of listing securities of the Issuer.
Listing:	An authorization for the listing of securities by the Authority.
Application:	An application submitted to the Authority by the Issuer or its representative for the purpose of offering or listing securities.
Senior Management:	Chairman and members of the board of directors of the Issuer or the executives or any equivalent, as the case may be, and Senior Executive Management.
Senior Executive Management:	The first executive officer and other executive officers reporting directly to him.

Promotion and Marketing:	Marketing, distributing, advertising, publishing or making available any data, information or advertising material relating to the call for subscription or investment in securities, or encouraging any person to agree with another person in respect of a listed security, submitted an application for listing or has been offered in the Qatari market.
Securities:	Shares and bonds of Qatari shareholding companies; bonds; Sukuk and bills issued by the government or any Qatari authority or public institution, or Sukuk or any other securities including non- Qatari securities licensed by the Authority. Derivatives, commodities and other investment instruments licensed by the Authority are considered as Securities.
Sakk/Sukuk:	A financial instrument of equal nominal value, issued by the Issuer. It represents common shares in the ownership of an asset or a group of assets according to conditions in compliance with the Islamic Shari'a principles.
Bond/s:	A nominal certificate issued by the Issuer called a bond acknowledging the debt of the Issuer to the bond owner. It states that the Issuer undertakes to pay off the full value of the bond to the bond owner, after a specified period of time during which the Issuer is committed to pay off periodic payments representing the value of the accrued interest on the bond during a specified period of time.
Relationship Officer of Sukuk or Bonds Owners:	The Person licensed by the Authority to protect the interests of Bonds or Sukuk owners.
Issuer/s:	The company that issues Securities.
Newly Established Issuers	The Issuer that has not carried out any of its key activities on its own, through a subsidiary, a

company it merged with or a company that acquired it, before submitting an offering or Listing application.

Governmental Issuer: The State or public authorities and institutions, the Issuers established by the government, and the Issuers in which the State has not less than 51% shares or less than that percent subject to the approval of the Council of Ministers. Any Issuer of debentures secured by the State by an unconditional and irrevocable guarantee is considered as a government Issuer.

**Foreign Market/
Foreign Stock Exchange:** Financial Market / stock exchange established and having its head office outside the State or established in Qatar Financial Center (QFC).

Person: Any natural or legal person.

Subsidiary/Affiliate: A company controlled by another company that owns more than 50 % of its capital or based on its law.

Underwriter: A legal person licensed by the Authority in accordance with the Financial Services Rulebook.

Inside Information: Information, which has not been disclosed to the public that may affect the prices of listed Securities.

Book Building: Procedures to be followed to determine the price of security when it is offered for public subscription according to the regulations approved by the Authority.

Price Range Highest and lowest prices of the Offering in the event that the Book Building mechanism is followed to determine the final Offering price.

Qualified Investor:

Financial Evaluator:	<p>An investor who has an efficient experience to invest in Securities by himself and satisfies the requirements set forth in this Rulebook.</p> <p>A legal person registered at the Authority appointed by the Issuer to carry out financial evaluation studies.</p>
Major Shareholders:	<p>Each shareholder owns 5% or more of the issued and paid-in Issuer's capital, directly or indirectly.</p>
Shares Available for Trading:	<p>Shares consisting of the issued capital of the Issuer and available for trading after excluding the shares owned by categories of investors determined by the Market and approved by the Authority</p>
Significant Information:	<p>Information that has a tangible effect on the trading prices of Securities, on the investment decisions of their dealers, or on trading trends in the Market.</p>
Relevant Rules:	<p>The rules related to the Offering & Listing of Securities Rulebook “Financial Markets” include, but not limited to, the following:</p> <ul style="list-style-type: none"> - Trading Rights Issue Rules. - Listing Rules for Funds’ Units. - Rules for the Offering & Listing of Sukuk and Bonds on Financial Markets Subject to QFMA’s Jurisdiction. - Rules of Companies’ Conversion into Public Shareholding Ones for Listing in the Financial Market. - Procedures of Delisting of Public Shareholding Company Listed in the Main Market as a result of Company’s Type Conversion. - Governance Codes for listed companies and entities.

Article (2)

Scope of Implementation

The provisions of this Rulebook shall apply to all Issuers listed or to be listed in the Main Market or the Second Market, or any of the other Financial Markets licensed by the Authority. The Issuers include, but not limited to, the following:

- Issuers that make Public Offering of Securities inside the State for the purpose of incorporation or for Listing in the Main Market, the Second Market, or the other Financial Markets in the State.
- Issuers that wish to make direct listing in the Main Market, the Second Market, or the other Financial Markets in the State licensed by the Authority without making Public Offering of Securities in the State.
- Issuers listed in the Main Market, the Second Market, or the other Financial Markets in the State licensed by the Authority.

CHAPTER TWO

Offering & Listing on the Main Market

Section 1

Requirements of Securities' Issuers

Article (3)

Requirements of an Issuer

An Issuer making a Public Offering of Securities or wishing to list Securities in one of the Financial Markets licensed by the Authority shall meet the requirements set forth in this Rulebook and its Relevant Rules.

Article (4)

Requirements of Qatari Issuers

A Qatari Issuer making a Public Offering of Securities shall meet the following requirements:

1. The incorporation requirements stipulated pursuant to the law under which the Issuer was established and the Authority's Legislations.
2. The articles of association and memorandum of association shall not include any limitations on the offering, Listing and trading of Securities or licenses issued by the legally competent entity.
3. Obtaining all relevant licenses and approvals.
4. The subscribed and paid-up capital shall not be less than (40.000.000) Forty million riyals.
5. The shareholders' rights shall not be less than the paid - up capital according to the latest audited financial statements –if applicable.
6. Any member of the Senior Management shall not have been convicted of a crime that relates to morality or dishonesty, unless been rehabilitated.
7. Any other requirements requested by the Authority.

Article (5)

Requirements of Issuers Established in QFC or the Free Zones

Issuers established in QFC or free zones in the State that wish for offering and Listing on the Financial Markets shall satisfy the requirements stipulated in their own legislations, laws, and regulations and the requirements of Article (4) of this Rulebook as well as shall satisfy the following requirements:

1. Members of the board of directors shall be at least (5) members.
2. Compliance with the minimum of the requirements applicable to Qatari shareholding companies regarding the voting rates needed for amending the memorandum of association or the articles of association, increasing or reducing the company's capital, or the quorum at the general assembly meeting or its equivalent.
3. Compliance with the Authority's Legislations.
4. Any additional requirements deemed by the Authority similar to the requirements related to other listed companies.

Article (6)

Requirements of Foreign Issuers

Any Issuer established or founded its headquarters outside the State may make a public or private offering of Securities, provided that it fulfills the following requirements in addition to requirements set forth in the Article (4) of this Rulebook:

1. The Foreign Issuer shall allocate a Person, resident in the State, who takes over the functions of the investor relations officer, distributing revenues and profits and providing them with periodic and immediate data and information and financial statements.
2. Foreign Issuer, practicing an activity subject to the QCB's jurisdiction, shall obtain a prior approval of QCB before submitting the Application.
3. Any further requirements deemed by the Authority.

Article (7)

Requirements for Issuers of Investment Funds' Units

Issuers of investment funds' units making a Public Offering of investment units shall meet the following requirements:

1. Funds shall be established with accordance to the relevant laws and legislations.
2. A fund shall be under a contract with a liquidity provider, an investment manager and a custodian licensed by the Authority, if applicable.
3. The fund's memorandum of association shall not enforce any limitations of offering, listing and trading of the funds' units.
4. The Issuer shall comply with Listing Rules for Funds' Units and Governance Code for Listed Fund issued by the Authority.

Article (8)

Requirements for Issuers of Debt Instruments

Issuers of debt instruments making a Public Offering shall meet the following requirements:

1. It shall be a governmental entity or a Subsidiary, or be a Qatari or foreign company or a company established in QFC or free zones in the State.
2. It shall have a fully paid up issued and subscribed capital.
3. Ownership equity shall not be less than the issued and paid up capital in accordance with the latest audited financial statements.
4. It shall comply with Rules of Offering & Listing of Sukuk and Bonds issued by the Authority.

Article (9)

Exemption from the Requirements

The Authority may exempt the Issuer from any requirements set out in this Rulebook, in particular, the requirements of offering and Listing of governmental Bonds and Sukuk.

Section 2

Public Offering Requirements for Securities

Article (10)

Obtaining the Authority's Approval

The Qatari Issuer or Foreign Issuer or established in QFC or free zones may make a Public Offering of Securities based on the following:

1. Submitting an application to obtain the Authority's approval on the offering.
2. Preparing an Offering Prospectus containing a comprehensive, adequate and correct disclosure of all information that may be of interest to the investors, as determined by the Authority in this regard.
3. Paying fees.

Article (11)

Public Offering Requirements for Shares

A Public Offering of shares requires the following conditions:

1. The percentage of shares subject to Public Offering shall not be less than (20%) and not more than (60%) of the total issued and paid up capital shares of the Issuer that is established through public subscription, unless otherwise provided by the laws under which the Issuer is established
2. The shares shall 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 Issuer.
3. The shares shall be nominal with equal rights and obligations. Its nominal value shall be of one Riyal or its equivalent.

4. The shares shall be tradeable and transferable without condition or restriction and are eligible for electronic settlement.

Subscription shall be in the percentages set forth in this article by the public. Shares shall not be considered held by the public if they are, directly or indirectly, in the possession of:

- A member of the board of directors of the applicant or his/her spouse or minor children or any Affiliate or branch of the Issuer.
- Any Person having the right under any agreement in the appointment of a Person to the board of directors of the Issuer.
- Any of the Major Shareholders of the Issuer.

Article (12)

Offering Requirements for Bonds and Sukuk

Sukuk and Bonds shall be subject to the following requirements:

1. Sukuk and Bonds for issuing shall be of equal value, tradable and give owners equal rights.
2. Issue par shall not be less than the nominal value of the share in case Bond or Sakk is transferable to shares.
3. Bonds and Sukuk shall be issued in Riyal or any other currency.
4. Comply with Rules for the Offering & Listing of Sukuk and Bonds issued by the Authority.

Article (13)

Offering Requirements for Investment Funds' Units

Public Offering of investment funds' units shall require the following:

1. The percentage of units subject to Public Offering shall not be less than 25% of the fund's capital.
2. Fund's units shall be equal in value, rights and obligations.
3. Any other requirements requested by the Authority.

Article (14)

Appointment of Securities Offering Manager

Issuers applying to the Authority for Public Offering of Securities shall appoint an Offering Manager. The Offering Manager may perform, in addition to his duties, the functions of the Listing Advisor, or shall prepare a fair value study or underwrite part or all of the offered shares if he has the necessary licenses for that by the Authority or a register in the financial evaluators' list at the Authority.

Articles (15)

Tasks of Offering Manager

The Offering Manager shall perform the following:

1. Take necessary actions for obtaining relevant approvals, offer and allocate Securities to the subscription applicants and prepare the final subscription and related procedures.
2. Oversee and provide advice to the applicant regarding legal, financial and procedural matters related to the offering process and shall be considered as the liaison officer between the Authority and the Issuer.
3. Ensure that the Application is in conformity with legal requirements.
4. Ensure that the applicant has taken all necessary measures to fulfil the conditions and requirements of the offering or Listing process.
5. Provide an acknowledgment from the legal advisor of the Issuer indicating that necessary care was conducted to make sure that the Application and all enclosed documents are in conformity with the laws and regulations enforced in the State.
6. Take necessary care in ensuring that the information disclosed in the Offering Prospectus is correct, comprehensive and complete and does not include misleading information or omit information. Moreover, that the prospectus has been prepared according to the prospectus form issued by the Authority.
7. Supervise and coordinate the activities of Persons who provide services related to the offering process and bear the responsibility thereof.

8. Take necessary care to make sure that the members of the Issuer's Senior Management are aware of their responsibilities under this Rulebook.
9. Supervise Book Building processes, if applicable.
10. Prepare Offering Prospectus in cooperation with the Issuer and present it to the Authority for approval, in preparation for announcement of the offering.
11. In the event that the Book Building method is followed to determine the price of the Public Offering, shall be registered in the financial evaluators' list at the Authority, and shall determine the Price Range of the public offered securities.
12. Provide an adequate number of Offering Prospectuses and subscription applications from subscribers, and ensure their availability with these subscribers during the offering period through continuous following up of the subscription process.
13. Make sure that all errors resulting during the subscription process are corrected with a period not exceeding one month from the end of allocation and refund of excess funds.
14. Provide offers to Qualified Investors related to Securities subject to offering by the Issuer, if applicable.

Article (16)

Appointment of a Financial Evaluator of the Offering Shares

- A. An Issuer shall conclude a contract with one Financial Evaluator or more registered at the Authority based on its request. The Financial Evaluator shall commit to develop a summary of the study he prepared according to the requirements of External Auditors and Financial Evaluators Rules issued by the Authority. The summary shall be published with the name of the Financial Evaluator as part of the Offering Prospectus according to the prospectus form prepared by the Authority, in addition to any other requirements requested by the Authority.

The Issuer may publish the evaluation report in full on its website and the Market website for a period of not less than a week before the date of subscription commencement.
- B. Newly Established Issuers or those that use the Book Building method to determine the offering price shall be exempted from applying the provisions of item A mentioned above, except for those

that are established for the purpose of owning another company or an existing enterprise.

- C. In the case of following the Book Building, the Offering Manager shall include the Offering Prospectus with a paragraph on the Price Range, determination methods, key assumptions, foundations, and sources of data and information on which it was based.

Article (17)

Appointment of a Paying Agent of Bonds and Sukuk Owners

The Issuer shall appoint a legal person on its behalf to pay the dues to Bonds or Sukuk investors, including interest and dividends, and repay the nominal value of the Bonds or Sukuk.

1. The paying agent shall have competence, integrity and appropriate equipment and human resources to carry out its tasks properly.
2. The Issuer may appoint more than one Person to act as a paying agent.
3. The Authority must approve the appointment of the paying agent.
4. The Issuer shall bear the costs of the paying agent.
5. The Issuer shall be obliged to remove the paying agent and appoint a substitute at the request of the Bonds or Sukuk owners or the Relationship Officer of Sukuk or Bonds Owners.

Article (18)

Appointment of a Relationship Officer of Sukuk or Bonds Owners

The Issuer shall appoint a Relationship Officer of Sukuk or Bonds Owners to protect the interests of such owners. Protection of the interests of Bonds or Sukuk owners shall mean, without limitation, the following:

1. Ensuring that the Issuer is committed to all its obligations set forth in the Sakk or Bond and in the Offering Prospectus and any other documents.
2. Ensuring that the amount due to Bond or Sukuk owners is paid in a timely manner.

3. In the event of a mortgage of the assets to ensure the satisfaction of the Bonds or Sukuk owners, making sure that assets are sufficient to pay the amounts due to the Bonds or Sukuk owners, and that the Issuer is maintaining those assets according to any legal requirements.
4. In case there is guarantor, ensuring that the guarantor meets all obligations under the contract of guarantee.

Article (19)

Legal Opinions (Fatwa) related to Securities

If there is a fatwa concerning the Securities subject to Public Offering, the following two conditions shall be considered:

1. The fatwa shall be enclosed with the names, qualifications and experience of the persons issuing the fatwa.
2. The full text of the fatwa shall be fully enclosed with the prospectus.

Article (20)

Submission of the Offering Application

The Issuer wishing to make a Public Offering of the Securities on the Market shall submit to the Authority or any entity decided by the Authority an application in Arabic enclosed with the following documents:

1. An original copy and electronic copy of the prospectus according to the form prepared by the Authority.
2. A copy of the agreements concluded between the company and other parties related to the Securities offering process and a Public Offering Prospectus.
3. A copy of the reports prepared by the contracting parties with the Issuer for the purpose of offering Securities and preparing a Public Offering Prospectus.
4. A certificate of Good Conduct for members of the Issuer's Senior Management.
5. Payment of fees.
6. Any other documents requested by the Authority.

Article (21)

Consideration of Offering Application

The Authority shall issue its decision of approval or rejection to the Public Offering application within (30) working days from the date of submitting the full Application. If this period elapse without response, the decision shall be considered as a rejection to the Application.

The Authority shall notify the Issuer or its representative of the decision, by any means of knowledge, during a period not exceeding five working days from the issuance date.

Article (22)

Right of Appeal against the Application Rejection

If the Application is rejected, the decision shall be reasoned and the Issuer may appeal to the Authority's chairman against the decision as per the Authority's Legislations, within 15 days from the date of being notified of the decision.

Section 3

Offering Prospectus

Article (23)

Contents of Offering Prospectus

Offering Prospectus shall be prepared according to the related form set by the Authority.

Article (24)

Report on the Period Following the Latest Audited Financial Statements

A report from the board of directors of the offering applicant shall be included attached with the Offering Prospectus, on the period from the date of the latest audited statements to that of preparing the prospectus. The reports shall include the following:

1. 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 that effect their performance.
2. The current assets of the company or its Subsidiaries appear in the commercial books are realistic, reasonable and achievable.
3. No conditional obligations have resulted from guarantees (payment undertakings) or indemnities that had been issued by the company or its Subsidiaries.

Article (25)

Auditor's Report

The Offering Prospectus shall include a report from the auditor registered at the Authority including the following:

1. That the report was prepared to be enclosed with the prospectus.
2. The report shall address the financial statements of the Issuer for all prior financial statements -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 the two past years -if applicable.
3. The auditor shall state clearly and adequately any reservations on the financial statements for the past years of future expectations.
4. Report on the period following the last audited financial statements as defined in Article (24) of this Rulebook.

Article (26)

Validity of Experts' Reports

The Offering Prospectus shall not include any report on the Issuer from an expert, after six months of its preparing date.

Condition of this period may be excepted if the report is attached with a written undertaking from the same expert, referred to in the prospectus, stating that there are no Significant Information or data that may have occurred on the Issuer, which would change the report results or the foundations on which it is based.

In case there is no such undertaking, a new report shall be submitted fulfilling the condition of this period.

Article (27)

Agreeing on Mentioning the Name

In case the name of any Person, such as the advisor, the external auditor, the expert, the evaluator or a legal fatwa issuer or any other Person was mentioned in the prospectus, that Person's approval shall be verified for mentioning his name in the prospectus in the agreement concluded between that Person and the Issuer or by a separate declaration issued by him.

Article (28)

A Disclaimer of the Authority

The Authority shall bear no liability for the validity, comprehensiveness and sufficiency of the details and information mentioned in the Offering Prospectus. The Issuer shall declare explicitly that the Authority 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 in the Offering Prospectus.

The Authority shall not be responsible before any party with regard to the analysis of the company's evaluation and any covered estimated values or assumptions referred to by the evaluator, in addition to any outcomes reached in the light of estimations and assumptions.

The Issuer shall also ensure that no confirmations with regards to technical aspects of analysis or the investment, commercial, economic feasibility study of estimations and assumptions defined by the analysis outcomes and the offering value are given to the Authority, and that the role of the Authority is limited only to guaranteeing the enforcement of the Authority's Legislations.

Article (29)

Initial Approval of the Offering Prospectus

The Authority shall issue an initial approval on the Offering Prospectus, its contents and arrangement within (30) thirty working days maximum from the date of receiving by the Authority or selected entity of the Offering Prospectus that meets all the Authority's notes.

The Authority shall be provided with the prospectus approved initially after its approval by the authority where the Issuer was established or registered - if applicable.

Article (30)

Supplementary - Offering – Issuing Prospectus

If any important change that affects any matter mentioned in the Offering Prospectus, which shall be included in the prospectus according to these provisions or upon the Authority's request, and if new important information which shall be published mentioned, the Issuer shall inform the Authority immediately of the same, and submit a supplementary Offering Prospectus about that change or the new issue, that occurred

during the period from the date of the Authority's approval on the Offering Prospectus and before the commencement of trading on the security, for publishing after the Authority's approval.

Article (31)

Validity of the Offering Prospectus

1. The Offering Prospectus is valid for six months from the Authority's approval date; therefore, the Issuer shall not offer Securities according to the information mentioned in the prospectus after 6 months from the approval date.
2. The Issuer shall clarify in the Offering Prospectus and in the announcement issued to the public regarding the offering or the trading start, that the prospectus is valid for 6 months only from the date of the Authority's approval.
3. The subscription period shall end before the end date of the Offering Prospectus.

Article (32)

Information on Securities

Every Issuer, applying for Securities Public Offering, shall provide in the Offering Prospectus, a complete, comprehensive and correct information related to the specifications and conditions of Securities to be approved. Without prejudice to the generality of the text, the prospectus shall include information set forth in the annexes and enclosures with accordance to the security type.

Section 4

Public Offering Procedures

Article (33)

An Invitation to Subscription

An invitation to subscription shall be conducted through an announcement on the Issuer's website and at least one of the local daily newspaper in Arabic language before minimum one week from the defined date of starting a subscription. The announcement shall include mainly the following information:

1. Name, purpose and head office of the Issuer.
2. Paid-up and issued capital, shares type and its nominal value and quantity.
3. Type, quantity, and nominal value of the Securities.
4. Locations of receiving the approved prospectus and websites where it is published.
5. Conditions of subscription, subscription receiving parties, addresses and contacts.
6. Start and end dates of subscription.

Article (34)

Additional Information on Announcement of the Invitation to Subscription

The announcement of the invitation to subscription shall indicate that the investor should view the Offering Prospectus approved by the Authority before investing in Securities subject to offering. Members of the Issuer's board of directors and the Offering Manager share a joint responsibility toward the correctness of data included in the Offering Prospectus. The

offering legal advisor is responsible of the correctness of legal approvals and procedures followed by the company in the process of offering. Further, the announcement shall include, in clear writing font indicating, that the approval of the Authority and Ministry on the subscription prospectus shall not be considered an approval of financial and economic viability of the Issuer or of the related evaluation outcomes.

Article (35)

Validity of Subscription Period

The duration of Securities subject to subscription period shall not be less than two weeks and not more than four weeks and the Authority may extend this period based on justified reasons.

Article (36)

Subscription Receiving Parties

Subscription shall be conducted with subscription receiving parties who conclude a contract with the Issuer manually or electronically , provided that these parties are a bank or more of the banks under the control and supervision of QCB, or a company or more of financial services company or any other party licensed by the Authority to receive subscriptions.

Subscription receiving parties shall have an electronic registration system for subscription applications in addition to certain procedures for the correctness of errors resulting during the process of subscription. They shall provide the investors with appropriate subscription tools and automatic connection means with the Offering Manager or the Market and the Authority for the purpose of facilitating instant follow-up of subscription processes.

Subscription receiving parties shall also provide subscribers with a list of documents that shall be enclosed to the subscription application along with the electronic or manual subscription application form prepared by the Offering Manager. Such from shall include at least the subscriber's name, ID number/passport number, investor number - if any - and the number of shares that he/she wants to subscribe to, the price specified for the subscription, and the value paid by the subscriber.

Article (37)

Methods of Shares Pricing in Offering

Determination of final pricing of shares subject to offering shall be through the following:

1. A study issued by two Financial Evaluators registered at the Authority. The Authority may appoint a third evaluator, provided that the Issuer bears the costs of appointment.
2. A study issued by Financial Evaluator registered at the Authority along with a contract concluded between the Issuer and the Underwriter to cover the remaining shares without a subscription licensed by the Authority.
3. Following up the method of Book Building according to rules set by the Authority.

Article (38)

Price Stability of Shares

The Issuer offering shares in a Public Offering shall approve a mechanism of price stability included in the Offering Prospectus approved by the Authority, while considering the following:

1. The purpose of the mechanism is to achieve a price stability of the security subject to Public Offering.
2. The approved price stability mechanism shall be from the first day of trading of the concerned securities in the Market and for a period not less than thirty days from the start date of securities trading, and may extend such period by the Authority's approval.
3. The Issuer or shareholders who sell part of their shares, as the case maybe, shall finance the price stability mechanism. The mechanism shall be managed by the Offering Manager or any other entity licensed by the Authority.
4. The percentage of shares that the fund buys back from subscribers after the end of the period of price stability mechanism shall not exceed 15% of the total shares offered to the public.

5. The price stability mechanism shall be liquidated within five days from the end of the mechanism period and shall return of the mechanism's proceeds (shares or cash amounts, or both) to the Issuer or shareholders who sell part of their shares – as the case maybe.
6. The Issuer may keep the shares resulting from the fund's operations as treasury shares for a period not exceeding two years, and it may re-offer those shares to the Market through an Underwriter or liquidity provider, as the case may be.
7. The implementation of the price stability mechanism shall end in the event of purchasing the upper limit of shares allowed to be purchased as per item (4) abovementioned, or if the period specified for the implementation of the mechanism ends, whichever is earlier.

Article (39)

Allocations and Refund of Excess Funds

The Issuer shall complete the allocation process and the distribution of the subscribed securities to the subscribers within a period of not more than one week from the end date of the subscription applications.

Subscription receiving parties shall maintain amounts paid by subscribers of which Securities and revenues were allocated until the date of ending the procedures of Securities offering through recording in commercial registry.

After subscription has ended, if the number of subscribed shares exceeds the number of Securities subject to offering, the Securities shall be distributed among subscribers as determined by the subscription prospectus. Allocation fractions must be algebraic to the nearest integer.

In all cases, the excess funds from the subscription and the revenues that may have been obtained shall be returned to the subscribers through the subscription receiving parties that they subscribed to within a period not more than a week from the end date of allocation.

The Offering Manager shall maintain all offering documents, subscription applications, allocation results and supporting documents in accordance with the legislation in force at the Authority.

Section 5

Private Offering of Securities

Article (40)

Private Offering

The Issuer listed in the Main Market may make a private offering of new securities without preparing an Offering Prospectus. The offering shall be considered a private offering in the following cases, if:

1. The offering is presented or directed to the current securities' owners, or to less than 200 persons in the State.
2. The Securities offered within twelve (12) months are less than (10%) of the number of securities of the same category that accepted.
3. The Securities are offered in accordance with the acquisition process through a mutually public offer.
4. The Securities are offered and exclusively allocated to, directly or indirectly, current or previous directors or employees, and the Securities were of the same category that was accepted for trading in the same market.
5. International authorities and organizations.
6. If the offer is directed to Qualified Investors. The investor is considered qualified if meeting any of the following conditions:
 - a) A financial services company licensed or registered at the Authority.
 - b) Banks, insurance & reinsurance companies, investment & financing, and investment funds licensed by QCB, QFC, or any other regulator within the State.
 - c) State institutions and companies owned by the State, Qatar Investment Authority and its Subsidiaries.
 - d) The investor represented by an investment manager licensed by the Authority.
 - e) Natural person, if meeting one or more of the following:
 - 1- has worked in one of the entities subject to the Authority's jurisdiction or one of the entities subject to the supervision of other financial sector regulators in a professional function

- accepted by the Authority for a period of no less than (3) years.
- 2- has traded in any of the Financial Markets with a total value of no less than fifty million riyals during the past twelve months.
 - 3- has specialized and approved international or local certificates in the field of investment in the Financial Markets.

Article (41)

Private Offering Requirements

The Issuer listed in the Main Market for which it makes a private offering of securities shall notify the Authority within a period not exceeding two weeks from the date of the offering decision issued by the competent authority of the Issuer, as the case may be. The notification shall be attached with the following documents:

1. A copy of the approval decision of the competent authority of the Issuer for securities offering, including the offering value, the number of securities and targeted investors.
2. Approval of the entity where the Issuer was established, registered, or subject to its jurisdiction, if applicable.
3. The timetable for completing the offering procedures for securities.
4. Fees payment.

Article (42)

Offering for Current Securities Owners

The new Securities issued by the Issuer listed in the Main Market shall be offered to the current securities owners, unless they assign their priority rights in subscription to the new Securities by a decision issued by an extraordinary general assembly of the current securities owners.

The Issuer shall, at least a month before the subscription start date, announce to the current securities owners about the value of the Securities offered to them for subscription, the subscription price, the number of Securities, and the subscription start and end date.

Rights issues trading shall be in accordance with the rules issued by the Authority and attached to this Rulebook.

Article (43)

Private Offering of one or more Investors

The Issuer may, with the approval of the extraordinary general assembly, offer shares to increase its issued and paid-up capital at the price determined by the general assembly for one or more investors. The investor may be a non-Qatari, with taking into account the non-Qatari ownership percentages in the company's articles of association and relevant legislation in the State.

The investor's subscription procedures and the payment of the full value of the bonus shares shall complete within a period not exceeding three months from the date of the extraordinary general assembly's decision, otherwise the offer shall be repeated to the extraordinary general assembly of the Issuer.

Article (44)

Offering to Pre-Defined or Qualified Investors

The Issuer may, with the approval of the extraordinary general assembly, offer shares of its issued and paid-up capital to pre-defined investors whose number does not exceed 200 investors or Qualified Investors, through a prospectus approved by the Authority.

Article (45)

Offering Capital Increase Shares For Acquisition, Merger or in return for In-Kind Share

The Issuer may issue shares to increase its issued and paid up capital for the shareholders of another or more companies in which the Issuer wishes to acquire their shares or their portion or for the merger of the other company's assets in the Issuer. In this case, the swap factor shall be specified based on the fair value of the Issuer and the value of the shares or assets acquired as determined by a Financial Evaluator registered at the Authority.

If the increase shares in the issued and paid-up capital of the Issuer are issued in return for in-kind share, the value of the in-kind share and the fair

value of the shares of the Issuer capital increase shall be determined on the basis of a report submitted by a Financial Evaluator registered at the Authority, provided that the extraordinary general assembly of the Issuer agrees on the in-kind value.

Article (46)

Private Offering for the Unlisted Issuers

The provisions of the private offering mentioned in this chapter shall not apply to unlisted Issuers that make a private offering of Securities, and to investment funds' units established in a bank subject to the QCB's jurisdiction. They also shall not apply to foreign financial instruments offered by those banks, if only those units or Securities are offered a private offering to bank customers and promoting them within the bank's branches and with the QCB's approval, provided that the number of owners of those units or foreign financial instruments shall not exceed 1000 clients of the bank. In case of exceeding that number, the bank shall apply to the Authority to list such units or foreign financial instruments in one of the Markets licensed by the Authority as per this Rulebook.

Section 6

Listing Requirements on the Main Market

Article (47)

Listing Obligation

Each Issuer making a Public Offering of Securities, or been converted into a public shareholding company for the purpose of Listing on the Main Market, shall apply to the Authority for obtaining a license to list its Securities on the Main Market, within a period not exceeding thirty days from the end date of offering, or within one month from the date of the completion of the formal procedures for converting the legal entity into a shareholding company.

The Authority may approve the direct listing of shares of any Issuer in the Main Market without requiring for Public Offering any part of its capital, provided that the Issuer shall comply with the Listing requirements mentioned in the Article (48-B) of this Rulebook.

Article (48)

Listing Requirements of Shares

- A. Issuers making a Public Offering shall fulfil the requirements set out in Article (4), (5) and (6) of this Rulebook, as the case maybe, in addition to the following requirements:
1. The number of shareholders when the Listing shall not be less than 200 other than the founders.
 2. Submission of securities ownership registry to the Depository as per its determined format.
 3. The Issuer shall has exercised its main activity by itself or through a Subsidiary or a company merged in or a company acquired and issued audited financial statements for two years

that do not include losses or any reservations from the external auditors on the financial statements or regarding the company's ability to continue operating.

4. The company shall achieve operating profits through its main activity not less than (5%) of the last financial year capital prior to the approval of conversion application.
5. Fees payment.
6. Any other requirements required by the Authority.

B. In case of direct listing, the Issuers wishing to be make direct listing without Public Offering of Securities shall comply with the requirements contained in paragraph (A) of this Article except that the number of shareholders shall not be less than 100 of non-founders or Major Shareholders who together owns collectively a minimum of 25% of the issued and paid up capital.

Article (49)

Listing Requirements for Debts Instruments

The Issuer wishing to list its debt instruments on the Main Market such as Sukuk or Bonds shall meet the following requirements:

1. Submit the register of debt instruments owners to the Depository as per its determined format.
2. Pay fees.
3. The Issuer shall undertake in the appointment document of Relationship Officer of Sukuk or Bonds Owners of the following:
 - a) Providing full cooperation to the Relationship Officer of Sukuk or Bonds Owners and all information that may help in carrying out its relevant duty, including being notified of any developments that may affect the ability of the Issuer or the guarantor to carry out its obligations.
 - b) Calling Bonds and Sukuk owners for a meeting at the request of the Relationship Officer of Sukuk or Bonds Owners within two days maximum from receiving the invitation request.

- c) Changing the Relationship Officer of Sukuk or Bonds Owners, if they request replacement.

The Issuer shall bear the costs of the Relationship Officer of Sukuk or Bonds Owners and costs of the invitation to the meeting of Bonds or Sukuk owners.

Article (50)

Listing Requirements for Funds' Units

The investment funds wishing to be listed in the Main Market shall meet the following:

1. The number of funds units' owners shall not be less than 30 Persons.
2. Fund's units shall be equal in nominal value and in the units' owners' rights and obligations.
3. Submit the ownership register of securities to the Depository as per its determined format.
4. Fees payment.

Article (51)

Listing Shares of Capital Increase

The Issuer shall submit for the Authority an Application to list the Securities resulted from its capital increase after completing the procedures of offering and subscription, within three working days after completing such procedures.

Article (52)

Appointment of Listing Advisor

Issuers applying to the Authority for listing Securities without offering shall appoint a Listing Advisor. The Issuer shall appoint a Listing Advisor other than the Offering Manager in case there is an interval between the date of completion of the offering and the date of applying for the Listing not less than six (6) months.

Article (53)

Tasks of Listing Advisor

The Listing Advisor shall have the following the competencies, as applicable:

1. Take necessary actions for obtaining relevant approvals of Listing.
2. Provide advice to the Issuer regarding legal, financial and procedural matters related to the Listing process and shall be considered as the liaison officer between the Authority and the Issuer.
3. Ensure that the listing applications are in conformity with legal requirements.
4. Ensure that the listing applicant has taken all necessary measures to fulfil the conditions and requirements of the Listing.
5. Ensure that the information disclosed in the Listing Prospectus is correct, comprehensive and complete and does not include misleading information or omit information.
6. Supervise and coordinate the activities of Persons who provide services related to the listing process and assume any responsibility thereof.
7. Take reasonable measures to make sure that the members of the Senior Management of the Issuer are aware of their responsibilities under this Rulebook.

Article (54)

Appointment of a Financial Evaluator upon Listing

With the exception of newly established companies, the Issuer wishing to make direct listing on the Market shall contract with a Financial Evaluator registered at the Authority's list. The Financial Evaluator shall prepare a financial evaluation study for the Issuer in compliance with the requirements of External Auditors and Financial Evaluators Rules issued by the Authority. The Financial Evaluator shall also publish a summary of that study including the Price Range of the security coupled with its name within the Listing Prospectus according to the prospectus form prepared by

the Authority, in addition to any other requirements requested by the Authority.

Article (55)

Listing Prospectus

The Issuer and Listing Advisor shall prepare the Listing Prospectus according to the related form set by the Authority.

Article (56)

Update the Interim Financial Statements

If more than six months have passed since the ending of offering period, the Listing Prospectus shall include audited interim financial statements. In this case, the Issuer shall provide a written letter approved by the external auditor confirming that during this interim period:

1. There was no changes that may negatively affect the performance or the assets or the financial position of the Issuer and its Affiliates.
2. There were no substantive changes to the exiting assets or liabilities of the Issuer.
3. There is no contingent liability by the guarantors or similar overdue payment undertakings by the Issuer or any of the companies or Affiliates.

Article (57)

Submission of the Listing Application

The party wishing to list the Securities shall submit to the Authority an application in enclosed with the following documents:

1. An original copy of the Listing Prospectus in addition to an electronic copy in adjustable format.
2. A copy of the general assembly decision of the Issuer, on approving the issuance of the Securities to be listed, if the constitutional documents of the Issuer required such decision.
3. A copy of the board of directors' decision on approving the listing of Securities to be listed.

4. If the Listing Prospectus issued by the Issuer included a declaration from the Senior Management 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 Senior Management should be attached to the prospectus.
5. A statement of the expected profits enclosed with a written letter issued by the advisor confirming that this statement was issued by the Issuer's Senior Management.
6. The financial statements of the Issuer, if the latter was the parent company, the consolidated financial statements should be provided to it and to its subsidiaries for the past two consecutive years in order to submit the listing application.
7. A copy of the agreement concluded with the Listing Advisor.
8. Any other documents requested by the Authority.

Article (58)

Financial Statements of the Applicant for Listing

1. The Issuer, except for the Governmental Issuer, when apply for Listing, shall publish or submit audited financial statements as follows:
 - a) Prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS);
 - b) Cover two financial years, at least, if applicable.
 - c) Provide consolidated financial statements for the applicant, 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 for listing shall submit interim financial statements if the date of Application submission exceeds six months after the end of the last audited financial year.

Article (59)

Securities Covered by the Listing Application

The listing applications shall be related to all Securities of the same category that subject to Public Offering, whether issued or will be issued. When new securities are issued of the same category as already listed securities, they shall be listed after issuance and the Authority shall be provided with necessary approvals to list these securities.

Article (60)

Simultaneous or Successive of Applications

1. The offering or listing applications may be submitted to the Authority at one time, and the listing applications may be submitted after obtaining the Authority's approval for offering.
2. In case the offering application and listing application were submitted together, the applicant of the both shall not be requested to provide the information twice.
3. In case the listing application is submitted six months after the offering approval, the applicant shall satisfy all the requirements provided for in this Rulebook.
4. The licensing application for Listing and the acceptance application for trading may be both submitted to the Authority and the Market respectively at the same time. The trading application may also be submitted to the Market within a period not exceeding three months from the date of obtaining the Listing approval from the Authority, otherwise the license for Listing 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 Authority.
5. In case the offering and listing applications were submitted at the same time, or the listing applications was submitted within a period not exceeding three months after completing the offering process, any information requested for listing, which was provided by the applicant to the Authority with the offering application, shall be considered as submitted with the listing application and thus, the Issuer shall not be requested to provide it again to the Authority with the listing application.

Article (61)

Settling Simultaneous or Successive Applications

1. Subject to the provisions of paragraph (2) below, the Authority shall notify the Issuer in writing of its decision regarding the application within thirty working days of receiving all the requested documents and information.
2. The Authority may, at any time during the period of the thirty days, or its extended period, as the case, request by virtue of a written notice from the Issuer to provide specific information in the form specified by the Authority regarding the application. In that case, the period of the thirty days or the extended period shall be extended automatically for 10 more working days.

Article (62)

The Right of Appeal

If the Application is rejected, the Issuer may appeal against the decision to the board chairman of the Authority in accordance with the Authority's Legislations, within fifteen days from the date of being notified of the decision.

Article (63)

Publishing of the Listing Prospectus

The Listing Prospectus shall be published on the Issuer's website and the Market's website before the Listing at least ten working days from the date of trading start.

Article (64)

Announcing the Date of Trading

If the Authority approves the Application for Listing Securities, the Issuer shall within two working days at most after obtaining the approval of the Authority issue a public announcement that should be published in two local newspapers, one of which is in Arabic, within one week at least from

the expected date of trading after coordination with the Market where traded. The notice shall include the following:

- The name, headquarters and address of the Issuer.
- The name, address and headquarters of the guarantor (if any).
- The name and address of the Listing Advisor.
- Type and quantity of securities, nominal value and its duration.
- The location of the prospectus.
- The market in which the securities will be traded.
- Determined date for commencement of the trading.
- The serial identification number (ISIN) of the security

Article (65)

Listing of Convertible Securities

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

1. Listed securities.
2. Listed securities in a Foreign Stock Exchange which is approved by the Authority.

Article (66)

Listing for Trading in a Foreign Stock Exchange

The Qatari Issuer, licensed to list its securities from the Authority in one of the Financial Markets subject to the Authority's jurisdiction, may list the same for trading in a Foreign Stock Exchange after obtaining the prior approval from the Authority.

Section 7

Disclosure

Article (67)

Publishing of the Offering Prospectus

Any data included in the Offering Prospectus may be published and there may be promotion of securities subject of this prospectus by any means after the Authority approves the prospectus adopted by the entity where the Issuer established or registered, if applicable, and the Offering Manager and Issuer are notified of that. The Issuing Manager and the Issuer shall abide to the controls of publishing the prospectus and promotion of securities as set forth in the Authority's Legislations.

Article (68)

Public Availability of Information

The Issuer shall make information and documents set out in this Rulebook available for free on its website, in the possession of the Offering Manager, the Underwriter or the Market.

Article (69)

Disclaimer of Contents and Timely of Disclosure

The Authority and the Market shall take no responsibility of any contents or time of disclosing information requested by the Issuer. The correctness and accuracy of the information content or their timely disclosure is the responsibility of the Issuer.

Article (70)

The Issuer Responsibility of Published Information

The Issuer and Offering Manager shall take full responsibility of the correctness and accuracy of disclosed information in the Offering Prospectus and the timing of such disclosure. The Authority and the Market shall not bear any responsibility of that. The Issuer and Offering Manager shall correct any error or incorrect information disclosed in the prospectus immediately and disclose that to the Authority, the Market and via its website.

Article (71)

Promotion of Securities

Promotion and Marketing activities of securities subject to offering shall be performed through a financial services company licensed by the Authority to practice an activity of Promotion and Marketing of Securities. The Promotion and Marketing company shall abide to the following:

1. Ensure the Authority's approval on offering securities inside the State.
2. Data included in the Offering Prospectus or any amendments thereof.
3. Avoid publishing, promoting or using any incorrect or misleading data or information relating to financial products, Issuer, Foreign Issuer or listing market, if any.
4. Use easy, clear and non-misleading promotion tools with a language understood by the investor and without using any fraud methods.
5. Define the type of investor to whom the promotion material is directed to.
6. Include investments risks related to securities subject to offering in the promotion material and any restrictions on the investor set out in the Offering Prospectus.
7. Do not include any recommendations of investment in securities in the promotion methods.

The Authority's licensed promoter shall commit, when Promoting or Marketing foreign securities inside the State, to limit the promotion of securities subject to private offering on Qualified Investor and confine methods of promotion to direct contact with predefined qualified persons.

Article (72)

Minimum Requirement of Information

The satisfaction of the conditions and requirements of disclosure provided in this Rulebook is the minimum requirement for the offering or listing applicant to disclose, 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 Offering Manager shall use all efforts to ensure complete, proper and sufficient disclosure of all the information that may be of interest to investors.

Article (73)

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 disclosure, the Issuer may make an initial announcement including the following:

1. Enough relevant details.
2. Determine of the reason why the declaration cannot be published in detail.
3. Pledge of publishing more details as soon as possible.

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

Article (74)

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:

- a) Mislead the public.
- b) Any person receiving the information shall be committed to maintain confidentiality.
- c) The Issuer shall be able to ensure the confidentiality of the information.

Article (75)

Limited Disclosure

1. The Issuer may be allowed, as the cases, to disclose to a certain Persons the Inside Information in addition to its staff need such 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) The Authority, any government department, QCB or any other legal or regulatory authority.
 - d) The Issuer's lenders.
 - e) Agencies determining credit ratings.

Article (76)

Immediate Disclosure

1. The Issuer of the securities listed and traded on the Market shall immediately notify the Authority and the Market by 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 Authority and another to the market where the Securities are traded.
3. The Issuer of the Securities shall publish all of these immediate disclosures simultaneously with the notification of both the Authority and the Market on its website, and the Market is obliged to publish them on its website as soon as they are received.

Article (77)

Periodic Disclosure

1. After obtaining the Authority's approval to list Securities on the Market, the Issuer shall throughout the period of listing and trading of Securities, prepare and publish periodic financial reports (and provide the Authority and the Market with a copy thereof) as provided for in this article.
2. The financial periodic reports shall be prepared on a quarterly, semi-annual and annual basis.
3. The quarterly shall be approved by the Issuer, and the semi-annual reports shall be reviewed, but the annual reports shall be audited by the Issuer's auditor.
4. The quarterly reports shall be prepared and published within period not exceeding (30) days from the end of the relevant quarter, and the semi-annual within a period not exceeding (45) days from the end of the relevant half year, and the annual with a period not exceeding (90) day of the end of the financial year of the Issuer.
5. The annual report shall include the operating results for the entire financial 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.

Article (78)

Clarification

Without prejudice to the Issuer's compliance with immediate disclosure, 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 the Authority or the Market for the submission of all information, if any, that clarifies such increase, decrease, variation or unusual trading.

Article (79)

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. That disclosure shall not be during the trading session, and if that happens, the transaction executed from the beginning of the trading session until the time of the disclosure shall be canceled.

Article (80)

Notifying the Authority of Significant Information

The Issuer listed in the Market shall notify the Authority, immediately of any of the following Significant Information:

1. If the trading was suspended or the listing of part of the Securities in a Foreign Stock Exchange was cancelled.
2. If any Securities of any Affiliate related to the Issuer was listed in a local or Foreign Stock Exchange, or listing thereof was cancelled.
3. If a receiver was appointed to the activities and assets of the Issuer, the parent company or the Affiliate.
4. A petition to appoint or if a liquidator was appointed to the activities of the Issuer, the parent company or the Affiliate.
5. If the shareholders took the decision to liquidate and dissolve the Issuer, the parent company or the Affiliate.
6. The sale, purchase or mortgage of more than 5% of the total assets of the Issuer, the parent company or the Affiliate.
7. If the Issuer, the parent company or the Affiliate start bankruptcy procedures or enter into negotiations for merger, acquisition or division.
8. If a lawsuit was brought by or against the Issuer or any Affiliate related to general assemblies, board of directors, or has an impact on trading prices of the listed securities, or an impact on the Issuer's

- financial position, or shareholders' equity equal at least 5% of shareholders' equity.
9. If a legal order or a judicial ruling was issued in favor or against the Issuer, or any Affiliate in any stage of litigation stages related to general assemblies, board of directors, or has an impact on the Issuer's financial position, or the shareholders' equity, of at least 5% of the shareholders' equity, or an impact on trading prices of the listed securities.
 10. If any change was made to the memorandum of association, the articles of association or the address.
 11. If any change was made to the information related to the members of the board of directors and the Senior Executive Management.
 12. The meeting of the general assembly.
 13. If a decision is issued by the Disciplinary Committee or Appeals Committees at the Authority.

Article (81)

Disclosure of Immediate and Periodic Information

Taking the account of the previous article, the Issuer shall disclose immediate and periodic information simultaneously to the Authority and the market where securities are traded through its website or through any means defined by the Authority and the Market within a period not exceeding 24 hours from the date of receiving the information. The Market shall disclose the information received from Issuers on its website.

The Foreign Issuer shall provide the Authority and the Market with all immediate and periodic disclosures that it is obliged to submit to the Foreign Market where listed, provided that the disclosure to the Authority and the Market shall be at the same time as the Foreign Market.

In case of delay in the disclosure of immediate information and periodic financial reports, the Authority is entitled to take any of the punitive measures stipulated in its legislation against the Issuer's Senior Management members. Such punitive measures includes fines for every day delaying deadlines set out in this Rulebook, which will be doubled if the number of delay days is more than thirty days. If the number of delay days exceeds sixty days or if repeated, the Authority may temporarily suspend the trading of securities issued by the Issuers that delay in

disclosure or transfer them to trading in any of the other Financial Markets subject to Authority's jurisdiction.

Section 8

Trading and Trading Suspension of Securities

Article (82)

Trading and Settlement

The trading of Securities, settlement of transactions, registration and transfer of ownership shall be in accordance with the rules and regulations in force in the market where traded, and in the Depository therein.

Article (83)

Lock up Period of Trading for Founders

Founders of the Issuer established through Public Offering are prohibited from selling their founding shares for two years since the start date of company trading. Further, the founders, Major Shareholders or shares in the companies converted to a public shareholding company or other direct listing companies, may not dispose of a percentage of (50%) of their shares at the Listing date for a year from the start date of trading in the Market. The disposition shall be as per the rules proposed by the Market and approved by the Authority.

In all cases, such disposal shall not lead to a decrease less than 40% of the issued and paid up capital in the percentage of ownership collectively of the founders, Major Shareholders or shares.

During that period, shares may be mortgaged or their ownership may be transferred by sale between founders or from a founder's heirs in the event of his death to others or under a final judicial ruling.

Article (84)

Continuity of Listing on the Main Market

The Issuer licensed by the Authority for the Listing and accepted to trade

on the Main Market shall commit, throughout the period of its listing and trading, to the following requirements:

1. The number of shareholders shall not be less than 200.
2. The issued and paid up capital shall not be less than 40 million riyals.
3. Ownership rights shall not be less than 75% of the issued and paid up capital, unless there is a restructuring plan
4. The percentage of Securities Available for Trading shall not be less than 10% of the issued and paid up capital.
5. The turnover rate of the security within twelve months shall not be less than percentage determined by the Authority at the beginning of each year.
6. Compliance with preparing annually the governance report.
7. Compliance with the terms and requirements of this Rulebook and the Authority's Legislation.

In the event violating such requirements for the continuity of trading, the Authority may transfer the listing and trading of Issuer's securities to any of the Financial Markets subject to the Authority's jurisdiction, unless the Issuer takes actions to clarify its positions or to notify the Authority with its plan to clarify its positions within a specified period of time approved by the Authority.

Article (85)

Trading Suspension by the Authority

The Authority may order the suspension of trading of any of the Securities, if the Market is at risk or is likely to 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 Securities are converted, or commence to be converted to other securities.
2. The announcement of any proposal for changing the rights of the securities owners or changing the issuance or Listing.
3. When any reservation is issued by an auditor concerning the performance of the listed Issuer and its relevant financial statements.
4. If the normal business of the Issuer ceases for more than three months without reasonable grounds.
5. If the listed Issuer persists in not disclosing information or making the same available to the Authority, the Market of the securities owners in a proper and timely manner.

6. If an order is issued by a judicial or governmental authority suspending the activities of the listed Issuer.
7. In case of failing to settle any fees due to the Authority in a timely manner, and without reasonable grounds.
8. Violation of the regulations or non-fulfillment of the applicable conditions and requirements in the market where the securities are traded.
9. Any other reason related to the protection of the investors or the public interest.

Article (86)

Trading Suspension at the Request of the Issuer

1. The Authority may, at its discretion, suspend the trading at the request of the Issuer based on valid reasons.
2. The notification by the Issuer for the suspension of Securities trading shall be in writing and shall include the following:
 - a. The name of the Issuer.
 - b. The expected period for trading suspension
 - c. Details of the securities the subject of notification.
 - d. 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.
 - e. The date in which the Issuer wishes to suspend the trading.
 - f. If applicable, a copy of the circular or declaration or other documents sent to the securities owners, on which the request of the Issuer is based.
 - g. If applicable, the shareholders' approval for trading suspension.
 - h. Name and contact details of the Person related to the Issuer.
 - i. Copy of the declaration proposed by the Issuer for notifying the Market for the suspension process.

Article (87)

Suspension Period

It is prohibited to suspend trading, for any reason whatsoever, for a period exceeding six months. If the aforementioned period elapses and no measures were taken to rectify the reasons for such trading suspension, and no reasonable grounds for the same were given by the Issuer, the Authority shall conduct accountability and impose penalties on all Persons in charge in the Issuer and those responsible for the continuation of the reasons which lead to the trading suspension.

Article (88)

Notification of Trading Suspension

The Authority shall issue a notification to both the Issuer and the Market with its decision to suspend trading on any Securities traded in the Market, within a period not exceeding a week from the decision date.

Article (89)

Resume Trading in the event of Suspension

1. Resume trading in the event of suspension shall be by the Authority's initiative in accordance with the following:
 - a) If the Authority deems that the suspension is no longer a risk threatening the Market's operation.
 - b) If the suspension is no longer necessary for the investors' protection.
 - c) If the Issuer provides the Authority with evidence that it has taken measures, leading to the absence of the suspension reasons.
2. Trading shall be resumed if suspended by the Issuer 's initiative, according to the following:
 - a) by an application submitted to the Authority from the relevant Issuer, requesting resume trading.
 - b) indicating in the application the demise the reasons that led to the request for suspension

The Authority may ask for documentary evidence or other evidence or information indicating the absence of the reasons that called for suspension in order to consider the request.

In the event that the Authority is not convinced of these reasons, it has the right to reject the said request, and the Authority may, in the event of verification of removal of the reasons for suspension, resume trading of the securities even if the Issuer did not request that.

Section 9

Cancelation, Transfer and Re-Listing

Article (90)

Listing Cancelation by the Authority

The Authority may cancel the Listing of the Issuer's Securities in the following cases:

1. If a decision was issued to liquidate or dissolve the Issuer.
2. If the legal personality of the Issuer does not exist anymore due to a merging process.
3. If the legal entity of the listed shareholding company has converted to a non-shareholding company.
4. The Issuer's optional request to cancel its listing in the Main Market in accordance with the regulations issued by the Authority.
5. Any other reason related to the protection of the investors or the public interest, as deemed appropriate by the Authority.

Article (91)

Listing Transfer

The Authority may issue a decision to transfer the Listing of a security from the Main Market to any of the other Financial Markets licensed by it, at any time if it deems it necessary to achieve a public interest, or for the interest of the markets or investors, or if one of the following requirements is met:

1. Failure of the listed Issuer to meet any of the Listing continuity requirements.

2. Repeated failure of the listed Issuer to disclose the information, or make it available to the Authority, the Market or the Securities owners in the specified manner and time.
3. Repeated failure of the Issuer to comply with the Governance Codes provisions issued by the Authority, as the case maybe.
4. The Issuer's request to get transfer to any other Financial Market licensed by the Authority.
5. Failure to fulfill the Listing requirements in the Main Market for companies whose Securities are offered in a Public Offering or direct listing companies.

Article (92)

Notice related to the Decision of Cancellation, Transfer and Re-Listing

The Authority shall notify the Issuer listing its Securities and the market where the Securities are traded of the decision of cancellation or transfer the Listing in writing and the decision comes into force and effect on the date mentioned in the notice.

The Listing 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 (93)

Implementation of the Authority's Decision

The decision of the Authority regarding the Listing, trading suspension or cancellation and transfer of Listing or the re-listing shall be implemented as per the applicable procedures of the market where the Securities are traded.

Article (94)

Appeals

The Issuer listing the Securities may appeal against the punitive decisions of the Authority before the Appeals Committee, in accordance with the relevant procedures issued by the Authority.

Article (95)

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 Authority and the aforementioned request shall be handled as if submitted for the first time.

CHAPTER THREE

Offering & Listing on the Second Market

Article (96)

Requirements of an Issuer

An Issuer making a Public Offering of Securities or wishing to list Securities on the Second Market shall meet the following requirements:

1. The incorporation requirements stipulated pursuant to the law under which the Issuer was established and the Authority's Legislations.
2. The articles of association and memorandum of association shall not include any limitations on the offering, listing and trading of Securities or licenses issued by the legally competent entity.
3. Obtaining all relevant licenses and approvals.
4. The subscribed capital shall be fully paid and not be less than (2.000.000) two million riyals.
5. The shareholders' rights shall not be less than 50% of the paid - up capital according to the latest audited financial statements – if applicable.
6. Any member of the Senior Management shall not have been convicted of a crime that relates to morality or dishonesty, unless been rehabilitated.
7. Fees payment
8. Any other requirements requested by the Authority.

Article (97)

Requirements of Shares Offering

A Public Offering of shares for Issuers wishing for Listing on the Second Market requires the following conditions:

1. The percentage of shares subject to Public Offering shall not be less than (10%) and not more than (60%) of the total issued and paid up capital shares of the Issuer, unless otherwise provided by the laws under which the Issuer is established.
2. The shares shall 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 Issuer.
3. The shares shall be nominal with equal rights and obligations. Its nominal value shall be of one Riyal or its equivalent.
4. The shares shall be tradeable and transferable without condition or restriction and are eligible for electronic settlement.

Subscription shall be in the percentages set forth in this article by the public and the Shares shall not be considered held by the public if they are, directly or indirectly, in the possession of:

- A member of the board of directors of the applicant or his/her spouse or minor children or any Affiliate of the Issuer.
- Any Person having the right under any agreement in the appointment of a Person to the board of directors of the Issuer.
- Any of the Major Shareholders of the Issuer.

Article (98)

Listing Obligation on the Second Market

Each Issuer, made a Public Offering of Securities, or been converted into a public shareholding company for the purpose of Listing on the Second Market, or does not fulfill the Listing requirements on the Main Market after the end of Public Offering procedures, shall apply to the Authority for obtaining a license to list its Securities on the Second Market, within a period not exceeding forty-five days from the end date of offering, or within six months from the date of the completion of the formal procedures for converting the legal entity into a shareholding company.

The Authority may approve the direct listing of shares of any of the Issuers on the Second Market without requiring them for Public Offering any part of its capital, provided that the Issuer shall comply with the Listing requirements mentioned in the article (99,item B).

Article (99)

Listing Requirements of Shares on the Second Market

- A. Issuers make a Public Offering of Securities shall fulfil the requirements set out in articles (96) and (97) of this chapter, in addition to the following requirements:
1. The number of shareholders when Listing shall not be less than 20 without the founders.
 2. Submission of Securities ownership registry to Depository according to the formula determined by the Depository.
 3. the Issuer shall has exercised its main activity by itself or through a Subsidiary or a company merged in or a company acquired and issued audited financial statements for one year – if applicable- do not include any reservations from the external auditors on the financial statements or regarding the company’s ability to continue operating.
 4. The company wishing to be listed on the Second Market is not required to have been achieved operating profits from its main activity in the last financial year prior to approval of the listing application.
 5. Fees Payment.
 6. Any other conditions required by the Authority.
- B. In case of the direct listing, Issuers wishing to make direct listing without Public Offering of Securities shall fulfill the requirements contained in paragraph (A) of this article except for that the number of shareholders shall not be less than 20 of non-founders or Major Shareholders who together owns collectively a minimum of 10% of the issued and paid up capital.

Article (100)

Listing Advisor

The Authority may obligate any of the Issuers wishing to be listed on the Second Market to appoint a Listing Advisor who will continue with them for a period of six months or more from the date of their listing in the Market, in order to carry out the following tasks:

1. Act as a liaison officer with the Authority.
2. Take reasonable measures to make sure that the members of the Senior Management of the Issuer are aware of their responsibilities thereof.
3. Provide consulting and advice to the company regarding compliance with the rules of disclosure and the continuity of Listing in the Market.
4. Verify continuously that the company meets the approved standards for listing as required and notify the Authority and the Market immediately if it does not meet any of these standards.
5. In the event Issuer's non-compliance with the disclosure rules, the continuing Listing Advisor shall provide the Authority and the Market with evidence taking all necessary measures to remedy the situation by the Issuer.

Article (101)

Periodic Disclosure

1. After obtaining the approval of the Authority 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 Authority and the Market with a copy thereof) as provided for in this article.
2. The periodic reports shall be prepared on a semi-annual and annual basis.
3. The semi-annual reports shall be approved by the Issuer, and the annual reports shall be audited by the Issuer's auditor.
4. The semi-annual reports shall be prepared and published within a period not exceeding (60) days from the end of the relevant half year and the annual with a period not exceeding (120) days of the end of the financial year of the Issuer.
5. The annual report shall include the operating results for the entire financial 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.

Article (102)

Disclosure of Immediate and Periodic Information

Taking the account of the previous article, the Issuer shall disclose simultaneously immediate and periodic information to the Authority and the Market where Securities are traded through its website or through any means determined by the Authority or the Market within a period not exceeding 48 hour from the date of receiving the information. The Market shall disclose the information received from Issuers on its website.

Article (103)

Disclosure of Corporate Governance Report

The Issuers listed in the Second Market shall prepare a governance report every three years pursuant to the controls mentioned in the governance Code for Companies Listed on the Second Market issued by the Authority, provided that this Code is based on the “Comply or Explain” principle.

Article (104)

Trading Continuity

The Issuer licensed by the Authority to list and accepted to trade on the Second Market shall commit, throughout the period of its listing and trading, to the following requirements:

1. The number of shareholders shall not be less than 20.
2. The issued and paid up capital shall not be less than 2 million riyals.
3. Ownership rights shall not be less than 50% of the issued and paid up capital, unless there is a restructuring plan
4. The percentage of Securities Available for Trading shall not be less than 5% of the issued and paid up capital.
5. Compliance with the terms and requirements of this chapter and the Authority's Legislation.

In the event violating such requirements for the continuity of trading, the Authority may transfer the listing and trading of Issuer's Securities to any of the Financial Markets subject to the Authority's jurisdiction, unless the Issuer takes actions to clarify its positions or to notify the Authority with its plan to clarify its positions within a specified period of time approved by the Authority.

Article (105) **Listing Transfer**

The Authority may issue a decision to transfer the Listing of any security from the Second Market to any of the other Financial Markets licensed by it except the Main Market, at any time if it deems it necessary to achieve a public interest, or for the benefit of the markets or investors, or if one of the following requirements is met:

1. Failure of the listed Issuer to meet any of the Listing continuity requirements.
2. The Issuer's request to get transfer to any other Financial Market licensed by the Authority.

Article (106) **Transfer to the Main Market**

The Authority may issue a decision to transfer the listing of any security from the Second Market to the Main Market, at any time if it deems it necessary to achieve a public interest, or for the benefit of the markets or investors, according to the standards proposed by the Market and approved by the Authority.

The Issuers listed on the Second Market may request the transfer to the Main Market, but it shall have been in trading on the Second Market for at least one year from the starting date of trading and it has issued at least one governance report. It shall attach with the request an evidence of their fulfillment of all the legal and financial requirements for direct listing in the Main Market, in addition to any other requirements requested by the Authority according to the provision of this Rulebook.

CHAPTER FOUR

General Provisions

Article (107)

Compliance with Chapter Two

The provisions of chapter two of this Rulebook shall apply to the Issuers listed in the Second Market in what is not specified mentioned in this chapter.

Article (108)

Listing in other Financial Markets

The Authority has the right to regulate the Listing in any of the Financial Markets subject to its licensing and jurisdiction in respect of other Securities issued by the unlisted entities or entities that not fulfil the Listing requirements in the Main Market and the Second Market.

Article (109)

Declarations

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

Article (110)

Enabling Securities Owners to Exercise their Rights

The Issuer shall enable the Securities owners to exercises their rights and shall, without limiting the generality of this text:

1. Treat all Securities owners equally and fairly.
2. In case of sending a notice or declaration to any of the Securities owners, send a copy thereof to all other Securities owners, 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 owners take proper investment decisions on the basis of transparency and disclosure of the necessary information.
4. Declare in its website and the Market's website the settlement of any share dividends or redemption of shares.
5. In case of Sukuk or Bonds:
 - a) Call Sukuk or Bonds owners for the meeting, when requested by the Sukuk or Bonds owners or Relationship Officer of Sukuk or Bonds Owners, within two days from the date of receiving the meeting request.
 - b) Exempt the Relationship Officer of Sukuk or Bonds Owners or the paying agent and appoint a substitute, whenever requested by the Sukuk or Bonds owners.

Article (111)

Determining of Lock up Periods of Trading

1. The Senior Management and the insiders of any Issuer are prohibited from buying or selling Securities for their accounts or on behalf of others, whether directly or indirectly during the following periods:
 - a. The annual financial statements: The period shall be five working days before the date of the board of directors meeting to discuss such statements, until the convening of the board meeting, approving and disclosing such statements to the public. The Issuer shall notify the Market of the date of board meeting at least ten working days before its convening. Members of the board of directors and the insiders are prohibited from obtaining these financial statements before more than three days from the date of board meeting.
 - b. Quarterly and semi-annual financial statement: the period shall be three working days before the ending date of disclosure of such statements, until the announcement of them to the public. The Issuer shall notify the Market of the date of

the announcement of these statements at least five working days before that date.

2. In all cases, any Issuer shall not convene a meeting for the board of directors to discuss or issue a decision related to the financial statements set out in the above paragraph (1) or to discuss and issue any decisions related to shareholders or prices of Securities, during the morning period prior to or through the trading in the Market with accordance to the timeline defined by the Market occasionally. The Market shall be provided with such decisions once issued.
3. The Market shall have the right to announce and publish the financial statements and the decisions set out in the above paragraphs (1) and (2) by any means, without subjecting the Market to any responsibility.

Article (112)

Issuing of Annexes

The Authority shall issue any annexes related, to the offering or listing of any security, not included in any details with relation to the conditions of listing, and to all cases of immediate and periodic disclosures. Such annexes shall be considered as an integral part, explanatory or complementary to the provisions of this Rulebook and having the same effect thereof.

Article (113)

Additional Information

When considering the offering or listing Application, the Authority may request any additional information not included in the Application or may request the applicant to answer some specific inquiries. It may also undertake further investigation and enquire about any information provided, as it deems appropriate.

Article (114)

Language

The Application and all documents enclosed thereto shall be submitted in Arabic language. Non-Qataris may submit the Application and documents

in English provided that present Arabic translation therefore and the Arabic version shall prevail in case of any discrepancies between the two texts.

Article (115)

Dissemination of Information

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

Article (116)

Financial Penalties

Each person violating the provisions of this Rulebook shall be subject to the financial penalties stipulated in the applicable legal legislations of the Authority.

The Authority may also take any of the measures and procedures stipulated in its legislation against Issuer's Senior Management members if continue in violating the trading continuity conditions.