



هيئة قطر للأسواق المالية
Qatar Financial Markets Authority

Selling Rights Issue Rules

This is a translation of the Official Arabic version of Selling Rights Issue Rules. In case of any discrepancies, the Arabic version shall prevail.

Article (1)

On application of the provisions of these rules, the following words and phrases shall have the meaning adjacent to each, unless the context requires otherwise:

Authority: Qatar Financial Markets Authority.

Authority's Legislations: Law No. (8) of 2012 regarding Qatar Financial Markets Authority and the regulations, rules, decisions and circulars issued by the Authority.

Market: Financial market licensed for dealing in Securities, pursuant to the Authority's Legislations.

Depository: The Company licensed by the Authority to carry out the functions of the depository.

Company: The Company listed on the market wishing to increase its capital by issuing new shares through subscription.

Securities: Shares, bonds and Sukuk of Qatari shareholding companies, bonds, Sukuk and bills issued by the government or any Qatari authority or public institution, or any other securities including the non-Qatari securities licensed by the Authority. Derivatives, commodities and other investment instruments licensed by the Authority are considered as securities.

Right Issue: The right granted for Company's shareholders to subscribe in capital-increase shares intended to be issued by the Company and allocated for its shareholders.

Day: working day in the Authority.

Article (2)

- A. Rights Issue is a security that can be listed and sold on the Market in accordance with the provisions of these rules.
- B. Rights Issue shall arise after the competent authority approval of the Extraordinary General Assembly decision to issue capital-increase shares of the Company.
- C. Rights Issue is subject to ownership limits determined by the Company's Article of Association and any other relevant legislation.
- D. Rights Issue shall be eligible for Company's shareholders registered in the shareholders register as of the date specified by the Extraordinary General Assembly, where the capital increase been decided.

Article (3)

The Company shall submit an application for listing Rights Issue within ten days upon the date of the Extraordinary General Assembly decision after obtaining the approval of the competent authority. The application shall include:

1. The decision of Extraordinary General Assembly on the capital increase and the approval of the competent authority.
2. The prospectus of listing the increased shares and Rights Issue.
3. Any other requirements required by the Authority.

Article (4)

Data and information published regarding the capital-increase shares allocated for the Company's shareholders shall be deemed considered the listing prospectus of Rights Issue after including the information on such rights therein, in particular:

1. Amount and percentage of the capital increase.
2. Issuance price of the capital-increase shares.
3. Date of listing Rights Issue.
4. The start date and end date of the selling period of Rights Issue.
5. The start date and end date of subscription of the increase shares, provided that, the subscription period shall start after five days from the expiry date of selling Rights Issue.

Article (5)

- A. The number of Rights Issue shall be equivalent to the number of capital-increase shares allocated to be issued for the Company's shareholders by subscription.
- B. The Authority's approval on listing Rights Issue of the capital increase shall be within five days from the date of submitting the listing application. The Authority may extend this period as per it deems appropriate.

Article (6)

- A. Rights Issue shall be registered in the Depository according to the procedures followed and approved by the Authority. Rights Issue shall be registered by the names of the shareholders who are in the shareholders' register on the date specified by the Extraordinary General Assembly of the Company and to be segregated from the original shares.
- B. Rights Issue shall be deemed listed for selling on the Market after at least two days from the date of the Authority's approval for listing, and before fifteen days from the start date of increase shares subscription.
- C. Except trading commissions, no charges shall be collected by the Market or the Depository in return for registration and listing of Rights Issue.

Article (7)

- A. Selling process and calculation of opening price of Rights Issue shall be calculated in accordance with the mechanism set by the Market for this purpose, subject to the Authority's approval.
- B. The period of selling Rights Issue shall be ten days.
- C. Rights Issue shall be sold separately from the original share to be increased.
- D. Selling of Rights Issue shall be subject to the same provisions applicable to the trading and settlement of shares without prejudice to provisions of these Rules.
- E. Purchased Rights Issue shall not be re-sold during the selling period specified in clause (b) of this Article.
- F. Rights Issue cannot be pledged, reserved, or purchased through margin finance.
- G. The listing of Rights Issue shall be legally canceled at the end of the selling period.
- H. The decisions of suspension cease or cancel of trading in listed Company's shares shall be applied on their Rights Issue.

Article (8)

- A. The priority right to subscribe for capital-increase shares of the Company shall be for the owners of Rights Issue as at the end of the selling period of such rights.
- B. The subscription period in the increase shares shall start in the fifth day of the expiry period of selling Rights Issue.

Article (9)

- A. Capital-increase shares shall be distributed to the subscribers based on a percentage of the Rights Issue they own. Provided that the allocated amount is not greater than the shares they requested. The rest of the shares shall be distributed to the owners of the right issue, who requested more than the percentage of what they own. Excepted from that, the subscriber who holds only right issue without any other shares in the Company's capital on the due date of right issue specified by the Extraordinary General Assembly, where the capital increase been decided
- B. The Company shall provide the Authority and the Depositary with names of subscribers of increase shares, number of shares subscribed by each of them and number of shares allocated to them.
- C. The Depositary, after approval of the Authority on listing increased shares, shall register unsubscribed shares in an account on behalf of the Company to act in accordance with the provisions of these rules.

Article (10)

- A. The Company shall sell the unsubscribed shares through the Market within a month from listing the capital-increase shares considering shareholders' interests.
- B. The Company shall record the proceeds of sales referred to in paragraph (a) of this Article minus issuance price, and the commissions due on the sale transaction as trusts for shareholders who did not exercise their subscription right, each according to his/her shareholding.
- C. If the Company could not sell the whole number of unsubscribed shares, the Company's Board, subject to the Authority's approval, may cover the

remaining shares considering the Company's interest or take action to reduce its capital.