

The Executive Bylaws  
Module Nine

## Mergers and Acquisitions





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## Chapter One

### Introduction and Scope of Application

- Article 1-1** The Merger provisions set out in Chapter Two of this Module shall apply to the Companies Licensed by the Authority or Listed on the Exchange.
- Article 1-2** The acquisition provisions set out in Chapter Three of this Module shall apply to Acquisitions Offers that an offer to acquire or a solicitation to procure the acquisition of shares of a Listed Company or unlisted company in the event of a Reverse Acquisition.
- Article 1-3** The provisions of Module Nine (Mergers and Acquisitions) are not applicable to Non-Kuwaiti Companies that are jointly listed.
- Article 1-4** The Partial Purchase Offer provisions set out in Chapter Four of this Module shall apply to transactions that are an offer to acquire or a solicitation to procure the shares of not less than 5% of a Listed Company on the Exchange which leads to acquiring not less than 30% and not more than 50% of the capital of a Listed Company on the Exchange after execution.

## Chapter Two

### Merger

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#### Article 2-1

A company may merge with another company of the same legal nature or of another legal nature, and the Merger shall be in one of the following ways:

1. Merger by Amalgamation.
2. Merger by Consolidation.
3. Merger by Division and Amalgamation.

#### Conflicts of Interest

#### Article 2-2

A Member of a Board of Directors of a Company involved in a Merger process shall not vote in the Board of Directors' meetings, subcommittees, or the general assembly of the company if he has an interest in the Merger. It shall not be interpreted as an interest if the Member of a Board of Directors of a company involved in a Merger holds less than 5% of the shares that have voting rights in the general assembly meetings.

Disclosure of any indirect interest or in alliance with others shall be disclosed in accordance with the provisions of Module Ten (Disclosure and Transparency) of these Bylaws.

#### Disclosure of a Merger

#### Article 2-3

Without prejudice to the provisions of Article (289) of the Companies Law, all companies involved in a Merger shall disclose the following stages of the Merger:

1. When companies reach an Initial Agreement regarding the Merger.
2. When obtaining approval on the Draft Merger Contract by the Authority.
3. When general assembly of each of the companies involved in the Merger issue their resolutions of accepting the Merger.
4. When the Merger resolution is Officially Announced for each of the companies involved in the Merger.

#### Article 2-4

The disclosures referred to in Article (2-3) of this Module shall be announced as follows:

1. If one of the Merged or Merging Companies is a member of an Exchange, the disclosures shall be announced in the Exchange and the website of each of the companies involved in the Merger.
2. If all the companies involved in the Merger are unlisted, the disclosures shall be announced on the websites of those companies.

In all cases, the Authority's approval of the Draft Merger Contract shall be announced in at least two daily newspapers, in addition to the other means set out herein.

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### Draft Merger Contract

#### Article 2-5

Companies involved in a Merger shall submit to the Authority the Draft Merger Contract for its approval. Approval of the Central Bank is required for the Units Subject to the Supervision of the Central Bank. The Draft Merger Contract may not be published or circulated to shareholders or partners before obtaining these approvals. Each shareholder or partner will have the right to receive a copy of the Draft Merger Contract after the Authority's approval.

#### Article 2-6

The Draft Merger Contract shall include the following information:

1. Adequate information about the Merged Companies and all parties that are involved in the Merger.
2. Details of the shares of the companies involved in the Merger, and any rights or restrictions associated with them.
3. Reasons and purposes of the Merger.
4. The Merger conditions that are agreed upon between the companies involved in the Merger.
5. Information about the Investment Advisor who is responsible for the evaluation of assets and liabilities.
6. The date of the evaluation.
7. The initial report of the values of assets and liabilities of the Merged Companies, based upon the assets' fare value.
8. The compensation to be received by partners or shareholders of the Merging Company or the New Company, and the basis of determining thereof.
9. The timeframe for the Merger.
10. A breakdown of all the procedures to be performed in order to finalize the Merger.
11. Details of any Effective Control which any of the companies involved in the Merger has in any other company.
12. Any other details or information requested by the Authority.

#### Article 2-7

The following information shall be attached to the Draft Merger Contract:

1. The full report issued by the Investment Advisor who is responsible for the evaluation of assets and liabilities, which shall include an asset valuation report.
2. A report of the basis of the initial evaluation of the assets and liabilities, and for determining the shareholders' and partners' rights after the Merger.
3. The audited financial statements of the companies involved in the Merger for the past three years.
4. The procedures to be followed in the event of forming of a New Company as a result of the Merger.

**Article 2-8**

**A Person with an Effective Control**

In the event that a Merger involving a party with Effective Control of either the Merging or Merged Companies or both before the execution of the Merger, the Draft Merger Contract shall include the additional following information:

1. Name of persons with Effective Control and names of any Subsidiary or persons with whom they are Acting in Concert with it.
2. Statement of the current ownership of each party with Effective Control in each party of the Merger, including any shares owned or controlled, or any Subsidiary or persons with whom they are Acting in Concert with, or where a person with Effective Control or any Subsidiary or persons with whom they are Acting in Concert with has the option of buying thereof.
3. A statement of whether a person with Effective Control holds a position of employment or serves as a Member of a Board of Directors at any of the companies involved in the Merger.
4. The opinion of the Members of a Board of Directors regarding the Merger and whether it is fair and reasonable for the rest of shareholders other than the party with Effective Control, and a statement that the Members of a Board of Directors have developed this position without any role by a Person with Effective Control.
5. Any reservations made by Members of a Board of Directors regarding the Merger, if any.

**Article 2-9**

**Conditions for Appointing an Investment Advisor**

An Investment Advisor shall be independent, not a Stakeholder, and shall be licensed by the Authority; and may not subscribe for or purchase Shares in any of such companies or transact in the Financial Derivatives of such Shares for their own account unless they create and maintain a Chinese Wall separating the Licensed Activities in accordance with the provisions of Module Five (Securities Activities and Registered Persons), Module Six (Policies and Procedures of Licensed Person) and Module Eight (Conduct of Business) of these Bylaws.

**Article 2-10**

**Conditions for Appointing a Person Responsible for Asset Valuation**

A Person which will be responsible for the valuation of the assets of the companies involved in the Merger shall be independent, not a Stakeholder, and shall be licensed by the Authority and may not subscribe for or purchase Shares or stakes in any of such companies or transact in the Financial Derivatives of such shares for their own account.



### Documents Available for review

#### Article 2-11

Companies involved in a merger shall make the following documents available for review:

1. The Draft Merger Contract and its attachments.
2. The resolutions of the Boards of Directors of the Merged Companies concerning the Merger.
3. The company contract of the companies involved in the Merger and any other similar documents.
4. The audited financial statements for the three years preceding the Merger for the companies involved in the Merger.
5. Any report, letter, assessment or any other document referred to in the Draft Merger Contract.
6. Any document establishing an irrevocable obligation to accept the Merger.
7. Documentation of the financial arrangements for the financing of the Merger if such arrangements are referred to in the Draft Merger Contract.
8. Any other documents requested by the Authority.

### Resolution of Shareholders in General Assemblies

#### Article 2-12

The documents set out in Article (2-11) of this Module shall be made available for review by the shareholders at the the companies' headquarters of the companies involved in the Merger no later than ten Business Days before the commencement of the general assemblies of such companies for the consideration of the Merger.

#### Article 2-13

In the event of a Merging Company being listed on an Exchange, any Treasury Shares of such company may be used as a part of the shares that shall be issued in favour of the shareholders of the Merged Company provided that an approval shall be obtained from the Authority and an extraordinary general assembly of the Merging Company. An independent clause approving the use of Treasury Shares in the Merger shall be included in the agenda of the extraordinary general assembly of the Merging Company.

### Authority for the Protection of Competition

#### Article 2-14

Each Merging Company shall comply with the provisions of the Protection of Competition Law and its Executive Bylaws if the Merger would lead to control or increasing existing control of the Relevant Market value.

### Trading in Shares of Listed Companies

#### Article 2-15

If one of the parties involved in a Merger is a Listed Company both parties shall acknowledge their full acceptance that the continuation of trading in the shares of any Listed Company involved in the Merger at the Exchange shall be in accordance with the rules set in in this regard.

**Article 2-16**

In the event of withdrawal, companies involved in a Merger shall be prohibited from undertaking any other Merger for six months commencing from date of announcing the withdrawal from executing the Merger.

**Article 2-17**

Contracts of Financial Derivatives in the Exchange shall include provisions regulating the rights of such contracting parties on executing the Merger.

**Article 2-18**

Companies addressed by the provisions of this Module shall be bound by the above-mentioned provisions and shall follow the procedures for the Merger as set out in Appendix 1 of this Module.

## Chapter Three

### Acquisition

#### Article 3-1

#### General Provisions

##### Article 3-1-1

Any Person may submit a Voluntary Acquisition Offer at any time in accordance with the provisions of these Bylaws.

##### Article 3-1-2

An Offeror shall treat all shareholders within each separate category of shares of the Offeree Company equally.

During the Offer Period or while an offer is under consideration, an Offeror, an Offeree company or any of their advisors may not submit information to certain shareholders without making such information available to the rest of the shareholders.

##### Article 3-1-3

An Offeror shall submit his offer directly to shareholders of the Offeree Company provided that each shareholder shall be given the choice to sell their Shares to the Offeror or to retain them.

##### Article 3-1-4

An Offeror shall obtain approval from the Central Bank before submitting an Acquisition Offer to any Unit Subject to the Supervision of the Central Bank.

#### Investment Advisor

##### Article 3-1-5

An Investment Advisor, of any of the Offer parties, shall be independent, not a Stakeholder, and shall be licensed by the Authority unless they create and maintain a Chinese Wall between the licensed activities in accordance with the provisions of Module Five (Securities Activities and Registered Persons), Module Six (Policies and Procedures of Licensed Person) and Module Eight (Conduct of Business) of these Bylaws.

##### Article 3-1-6

If an Offeror is a Company Listed on the Exchange the Offeror and the Offeree Company shall obtain independent advice concerning the offer from an Investment Advisor and shall make available the details of such advice to the shareholders or partners of the two companies.

#### Commitments of Board of Directors of an Offeree Company

##### Article 3-1-7

The Board of Directors of an Offeree company shall provide its shareholders with adequate information and recommendations in order to enable them to reach a decision to approve or to refuse the offer.

##### Article 3-1-8

Members of a Board of Directors of an Offeree company shall avoid any conflict of interest when making any recommendation to the company's shareholders with regard to any Acquisition Offer.

<b>Notification to the Authority for the Protection of Competition</b>	
<b>Article 3-1-9</b>	An <u>Offeror</u> company shall comply with the provisions of the <u>Protection of Competition Law</u> and its Executive Bylaws if the acquisition would lead to control or increase in existing control of the <u>Relevant Market</u> value.
<b>Dealing on the Basis of Inside Information Related to the Offer</b>	
<b>Article 3-1-10</b>	<p>Except for dealings of the <u>Offeror</u>, an <u>Insider</u> who is in possession of <u>Inside Information</u> may not deal in shares of the <u>Offeree Company</u>, its <u>Subsidiaries</u> or persons with whom they are <u>Acting in Concert</u> with it.</p> <p>This prohibition also includes dealing in the shares of the <u>Offeror</u> company or its <u>Subsidiaries</u> or with whom they are <u>Acting in Concert</u> with if any of these parties is a <u>Listed Company</u> on the <u>Exchange</u>.</p>
<b>Article 3-1-11</b>	Without prejudice to the provisions of Article (3-1-7) of this Module, an <u>Insider</u> who is in possession of <u>Inside Information</u> related to any <u>Offer</u> is prohibited from making a recommendation to any other <u>Person</u> concerning dealing in related shares. An <u>Insider</u> shall not reveal the <u>Inside Information</u> .
<b>Restrictions and Provisions of Trading in Securities related to the Offer</b>	
<b>Article 3-1-12</b>	<p>During the trading session, the <u>Exchange</u> shall immediately suspend the shares of the <u>Offeree Company</u> from trading for one hour upon the occurrence of one of the following cases:</p> <ol style="list-style-type: none"><li>1. Disclosure of the <u>Initial Agreement</u> on the <u>Acquisition Offer</u>.</li><li>2. Disclosure of the desire to acquire ownership of more than 30% of the <u>Securities</u> of a <u>Listed Company</u>.</li><li>3. Disclosure of the <u>Person</u> obligated to submit a <u>Mandatory Acquisition Offer</u>.</li><li>4. The <u>Authority's</u> announcement of its decision to obligate a <u>Person</u> to submit a <u>Mandatory Acquisition Offer</u>.</li><li>5. Any other cases defined by the <u>Authority</u>.</li></ol>
<b>Article 3-1-13</b>	During the <u>Offer Period</u> , an <u>Offeror</u> or any <u>Subsidiary</u> or person with whom they are <u>Acting in Concert</u> with it may not sell any shares of the <u>Offeree</u> company without obtaining prior approval by the <u>Authority</u> .
<b>Article 3-1-14</b>	If an <u>Offeror</u> or any <u>Subsidiary</u> or persons with whom they are <u>Acting in Concert</u> with it purchases shares of the <u>Offeree</u> company at a price higher than the offer price during the <u>Offer Period</u> , they shall increase the value of their bid to not less than the highest price paid to acquire the shares during such period; and they shall disclose directly after purchase that the <u>Offer</u> shall be modified, and the disclosure shall set out the number of purchased <u>Shares</u> and the price paid.

**Article 3-1-15**

An Investment Advisor of an Offeree company together with the Investment Advisor of any Subsidiary or persons with whom they are Acting in Concert with or Group member may not perform any of the following during the Offer Period:

1. Subscribing for or purchasing shares of the Offeree company or dealing in the Financial Derivatives of such Shares for their own account.
2. Encouraging any Person by any means or form to keep deal in or abstain from Dealing in Securities related to the Offeree company.

**Restrictions on the Board of Directors of an Offeree Company**

**Article 3-1-16**

An Offeree company may not, during an Offer Period or primary negotiations concerning an offer, perform any of the following:

1. Issue new Shares within the limits of authorized capital, or issue or grant option contracts related to such Shares.
2. Issue any Securities convertible to Shares.
3. Dispose of any Asset of Significant Value.
4. Enter into contracts that are beyond the normal business operations of the company.
5. Adopt any procedure that would lead to refusing the offer or constraining the shareholders' choice to make a decision in this regard.
6. Impose significant financial obligations on the company, with the exception of those within the limits of enabling it to finance and practice its normal operations.

Restrictions imposed under this Article shall not violate an Offeree company's right to take any action set out in this Article, provided that the approval of the shareholders is given in a general assembly or if the company becomes committed to take such action before offer submission.

**Conflicts of Interest**

**Article 3-1-17**

Members of a Board of Directors of any of the offer parties may not vote in the Board of Directors, its sub-committees, or the general assembly, if they have an interest in the Acquisition Offer and it shall not be construed as an interest if a Member of a Board of Directors has a participation in the Offeree company or the Offeror company if the percentage of such participation does not reach 5% of Traded Shares of the Offeree company.

Any indirect interest or in alliance with others shall be disclosed in accordance with the provisions of Module Ten (Disclosure and Transparency) of these Bylaws.

**Article 3-1-18**

**Acquisition in the Existence of Parties with Effective Control**

If a Person has Effective Control of either an Offeror company or an Offeree company or both before the execution of an acquisition, the Offer Document shall include the following additional information:

1. Name of any person with Effective Control and any subsidiaries or persons with whom they are Acting in Concert.
2. A statement of the existing ownership of the person with Effective Control in each party of the Acquisition Offer, including any shares owned or controlled by that party, or by any Subsidiary or person with whom they are Acting in Concert with it, or that the party with Effective Control or any Subsidiary or person with whom they are Acting in Concert with has an option of purchasing such shares.
3. A statement of whether the person with Effective Control holds a position of employment or serves as a Member of a Board of Directors at any of the companies involved in the Acquisition Offer.
4. An opinion of the Members of a Board of Directors of the Offeree Company concerning the Acquisition Offer and whether it is fair and reasonable for the rest of the shareholders other than the party with Effective Control, and the fact that the Members of a Board of Directors have developed this opinion without any role by such person.
5. Any reservations made by the Members of a Board of Directors concerning the Acquisition Offer, if any.

**Article 3-2**

**Rules Regulating Acquisition Offers**

**Announcements and Disclosures of Acquisition Offers**

**Article 3-2-1**

Without prejudice to the obligation of disclosure set out in these Bylaws, an Offeror and an Offeree company shall disclose the following information:

1. Whether the parties have concluded an Initial Agreement with regard to an Acquisition Offer.
2. If a Person is obliged to submit a Mandatory Acquisition Offer in accordance with the provisions of the Law and these Bylaws.
3. When the Offeree company is notified of a serious intention to submit an unconditional offer.
4. When the Authority approves the publishing of an Offer Document.
5. Any recommendation, when made, of the Board of Directors of the Offeree company concerning the submitted offer.
6. The completion of the Collection Period, disclosing the percentage of Shares collected.
7. The completion of all the procedures for the execution of the Acquisition Offer.
8. Any other disclosure required by the Authority.

### Procedures for Primary Disclosure of a Voluntary Acquisition Offer

#### Article 3-2-2

The Authority shall be notified before the disclosure of an Initial Agreement regarding an Acquisition Offer, and such disclosure shall include name of the Offeror and the Offeree company provided that such disclosure shall not include information that is listed in the Offer Document such as price, timeline, Acquisition Manager, sources of finance or other information that shall be included in the Offer Document.

### Procedures for Disclosing a Mandatory Acquisition Offer

#### Article 3-2-3

A Person obligated to submit a Mandatory Acquisition Offer shall immediately disclose their obligation to submitting an Acquisition Offer Document even if they do not have all the related information.

If an obligated Person abstains from disclosure within thirty days commencing from the date of notification of a resolution by the Authority requiring them to submit an Acquisition Offer, the Authority shall take the following two procedures:

- a. Announce its resolution in the Exchange, provided it shall include the following information:
  1. Name of the person obligated to submit an Offer whether it be a natural Person or a corporate entity.
  2. Name of the Offeree company where the Offeree company is listed on the Exchange.
  3. The requirement to complete the Mandatory Acquisition Offer in thirty days.
  4. A reminder of the penalties for the violation of such provisions as are set out in the Law, in particular preventing their use of the voting rights arising from their ownership in the Offeree company.
- b. Notify the Clearing Agency to prohibit the Person obligated to submit a Mandatory Acquisition Offer from using the voting rights arising from their ownership in the Offeree company, as of the issuance date of the Authority's resolution obliging the submission of a Mandatory Acquisition Offer until the completion of the procedures of executing the Mandatory Acquisition. The Clearing Agency shall notify the Authority in the event that voting rights on this ownership is exercised.

#### Article 3-3

### Offer Document

#### Article 3-3-1

An Offer Document shall in particular include the following information:

1. Adequate information about the Offeror and Offeree company.
2. Details of the Offeree company's shares and any related rights or obligations.
3. Total amount of the submitted offer.
4. Full description of the financing of the offer and the sources of financing, as well as stating the names of the main lenders or those who make the necessary arrangements for financing.
5. Details of the required documents and the procedures necessary to be followed for offer acceptance.
6. A statement of any conditions or restrictions to which the offer is subject, and any related procedures.

7. The Timeline for the Acquisition Offer.
8. Ownership of shares and any Control shares of the Offeror in the Offeree company.
9. Ownership of shares and any Control shares of the Offeror in the case of a Non-Cash Voluntary Acquisition Offer.
10. Ownership of shares and any Control shares of the Offeror in the Offeree Company which includes an interest in the Members of the Board of Directors of the Offeror; or ownership of or control by a Subsidiary or a person with whom they are Acting in Concert, along with their name and the ownership of shares or a Controlled stake by persons who are committed to accept the offer irrevocably before publishing the Offer Document, along with their names.
11. Any other information required by the Authority.

**Article 3-3-2**

An Offer Document shall include a statement stating whether there is an agreement, arrangement or procedure between the Offeror or any Subsidiary or person with whom they are Acting in Concert with the Offeror and any of the Members of a Board of Directors of the Offeree company or its shareholders as well as details of such agreements or procedures.

**Article 3-3-3**

An Offer Document shall include a statement clarifying whether the Shares that are meant to be acquired under the offer shall be transferred to any other Persons or not along with the names of the parties in any related agreement, procedure or memorandum of understanding, if any, as well as the details of any Securities owned by those persons in the Offeree company.

**Article 3-3-4**

If an offer includes issuing unlisted Securities as payment of the offer value, then the Offer Document shall include a valuation of such Securities by an Investment Advisor licensed by the Authority.

**Article 3-3-5**

If an offer includes issuing Securities and the Offeror is an unlisted company the Offer Document shall include adequate financial information of the Offeror including financial statements audited by Auditors registered with the Authority for the three financial years preceding the offer.

**Approving and Publishing an Offer Document**

**Article 3-3-6**

An Offeror shall submit an Offer Document to the Authority in order to obtain its approval; and the Offer Document may not be published before the Authority's approval.



**Article 3-3-7**

The Authority shall issue its approval of an Offer Document within ten Business Days at most commencing from date of receiving all documents, data and other information that may be required; and the Authority may refrain from issuing its approval in the following cases:

1. If the offer does not comply with the provisions of the Law and the requirements of these Bylaws.
2. If the offer is not accompanied by the required fees.
3. If the Offeror fails to submit the data required under the provisions of the Law and these Bylaws.
4. If the offer includes incorrect or missing statement that would affect the decision of the shareholders.

**Article 3-3-8**

If the Authority approves an Offer Document, it shall be published by the Offeror or their representative in accordance with a timetable approved by the Authority pursuant to the mechanism for issuing an announcement set out in Article (3-3-9) of this Module.

**Mechanism of Announcement related to Publishing Acquisition Offer Document**

**Article 3-3-9**

An acquisition Offeror shall disclose the Authority's approval of the Offer Document on an Exchange and it shall be announced on the website of the Offeror company and of the Offeree company as well as in a minimum of two daily newspapers.

**Recommendation of the Board of Directors of an Offeree Company**

**Article 3-3-10**

The Board of Directors of an Offeree company shall, within seven Business Days from receipt of the Offer Document, submit a response to the Authority stating its opinion and recommendations to the shareholders, as well as the opinion of an Investment Advisor; and the recommendation to the shareholders related to the offer shall be published in accordance with the mechanism adopted under Article (3-3-9) of this Module.

**Article 3-3-11**

**Documents Available for Review**

An Offeror and the Offeree company shall make the following documents available for review:

1. Offer Document and its attachments.
2. The recommendation of the Board of Directors of the Offeree company concerning the Offer.
3. The Company Contracts of the Offeror company and the Offeree company and any other similar documents.
4. The audited financial statements of the Offeror company and the Offeree company for the three years preceding the Acquisition Offer, if any.
5. Any report, letter, evaluation or other document that was presented or referred to in the Offer Document.
6. Any document that serves as evidence for an irrevocable commitment to accept the Offer.
7. Documentation of the financial arrangements regarding financing the offer if such arrangements were set out in the Offer Document.
8. Any other documents required by the Authority.

The Offer Document shall clarify the place in which such documents shall be available for review.

**Article 3-3-12**

**Modification of an Acquisition Offer**

Without prejudice to any of the provisions set out in these Bylaws, an Offeror may submit to the Authority a request to modify an Offer Document within five Business Days, at most, of the closing of Collection Period of the Offeree company's shares; this is in case of desire to modify one of the conditions related to executing the process mentioned in the Offer Document provided that such a modification shall be made in favour of the shareholders of the Offeree Company, and the following procedures shall be followed:

1. The Offeror shall submit a request to the Authority setting out the reasons for modifying the Acquisition Offer attaching the Modified Offer Document, which may not be published before being approved by the Authority.
2. Procedures for executing the Acquisition Offer process shall be suspended for ten Business Days, during which the Authority shall issue its decision concerning the Modified Offer Document.
3. In the event that the Authority approves the Modified Offer Document, the collection process of the portfolio of the Acquisition Manager shall reopen, provided that the shares of those willing to participate in the Acquisition Offer are collected, even if they never participated in the previous collection process. The re-opening of the collection process shall be announced in accordance with the mechanism of announcement set out in Article (3-3-9) of this Module; and the Acquisition Manager shall be immediately release any shares related to participants in the previous collection process as well as those willing to decline their participation in the Acquisition Offer after the modification of the Acquisition Offer Document.
4. In the event that the Authority's rejects the Modified Offer Document, the Offeror shall complete the procedures of executing the acquisition process in accordance with the Original Offer Document; as of the day following the the Authority's announcement rejecting the Modified Offer Document.

**Article 3-4**

**Extending Shares Collection Period**

An acquisition Offeror may submit to the Authority a request to extend the Collection Period of an Acquisition Offer; in accordance with the following conditions:

1. The acquisition Offeror may submit a request to extend the Collection Period before the acquisition Offer Document is published; with a justified request to be submitted to the Authority that shall include the modified timetable.
2. The acquisition Offeror may submit a request to extend the Collection Period to a maximum of five Business Days before the end of collecting the Offeree company's shares, and the following procedures shall be adopted:
  - a. The Offeror shall submit to the Authority a request setting out the reasons for its request to extend the Collection Period; provided that the modified timetable of the acquisition Offer Document be attached.
  - b. The Authority shall notify the Offeror of its decision concerning the extension of the Collection Period for those wishing to participate in the Acquisition Offer.
  - c. In the event that the Authority's approves, the acquisition Offeror shall announce the extension of the Collection Period and publish the updated timetable by using the mechanism of announcement set out in Article (3-3-9) of this Module.
  - d. In the event that the Authority's rejects the extension request, the Offeror shall follow the original timetable.

**Article 3-5**

**Article 3-5-1**

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**Additional Provisions of Mandatory Acquisitions**

A Person who acquires, directly or indirectly, more than 30% of the Securities admitted to trading of a Listed Shareholding Company shall within thirty days from the date of acquisition submit an offer to purchase all the remaining Shares traded in the exchange as per the conditions set in these Bylaws. The following cases shall be exempt from this provision:

1. Acquisition in consideration of the public interest and in the interest of the remaining shareholders. In the event that the Authority issues such exemption, the decision shall be in writing and includes the reasons for such exemption.
2. Obtaining the stated percentage when a company increases its capital and some shareholders refrain from subscription.
3. Obtaining the stated percentage because of debt restructure.
4. Obtaining the stated percentage because of inheritance, will, or court judgment. In such case, the Person shall comply with this article within no more than two years as from the increase.
5. Obtaining the referred percentage during a privatization of a Listed Company and during the privatization period.
6. If a Person's ownership exceeds the percentage stated as a result of the Listed Company's returning and cancelling Treasury Shares that would lead to an increase in the percentage ownership of one of the shareholders to become more than 30 % of the Shares traded in the Listed Company.
7. Obtaining the percentage referred to as a result of transferring shares of a Listed Company between companies form a single Group; provided that the company which obtained such percentage shall remain within the investment Group. Ownership transfer shall be executed pursuant to provisions set forth in the Exchange's rules.
8. If a Person obtains the stated percentage as a result of a Merger.

9. Obtaining the percentage referred to as a result of executing the Shares in fulfillment of a debt or obtaining them as a result of settling debts of financial institutions in kind through transferring ownership of the pledged Shares.
10. Obtaining the percentage referred to without any Control, whether directly or indirectly, over the Board of Directors and without practicing the voting rights arising out of such percentage; provided that it shall be recorded in the shareholders' register of the Issuer Company. This exemption will not be granted if an owner of such percentage practices its voting rights or if he Controls the Board of Directors directly or indirectly. The Clearing Agency shall notify the Authority in the event that voting rights on such percentage are exercised.
11. Obtaining the percentage referred to by one of the Financial Institutions which guarantee underwriting the shares of the Listed Company.
12. Obtaining the percentage stated as a result of the transfer of shares between Relatives.
13. In the event of objection by one of the Regulatory Bodies on which any of the parties of acquisition are subject to.
14. Obtaining the percentage referred to as a result of practicing the activity of Market Maker; provided that such percentage shall not be used in voting at the company's general assemblies, authorizing a third party to vote, or using it to appoint Members of a Board of Directors or affecting such company's resolutions.
15. Obtaining the percentage referred to by governmental bodies to secure the public interest and the interests of shareholder; provided that the voting rights of the percentage exceeding 30% of the traded Securities shall not be exercised and that this be recorded in the shareholders' register of the Issuer Company. This exemption shall not be granted if the governmental bodies exercise voting rights of a percentage exceeding 30% of the traded Securities. The Clearing Agency shall notify the Authority in the event that such voting rights are exercised.
16. Obtaining the percentage referred to as a result of executing the Partial Purchase Offer.
17. Such other cases as provided for in rules and regulations issued by the Authority.

**Article 3-5-2**

**Article 3-5-2-1**

**A Mandatory Acquisition Offer Price**

A Mandatory Acquisition Offer shall be a cash offer equivalent to the highest price of the following:

1. The weighted average of the daily price in the Exchange of the Offeree company through the six months preceding the date of disclosing the Mandatory Acquisition Offer; and this price shall be calculated by the Exchange; or
2. The highest price paid by the Offeror, any Person whether Subsidiary or person with whom they are Acting in Concert with it during the six months preceding the date of disclosing the Mandatory Acquisition Offer.

In the event that cash distributions are approved for the Offeree's shareholders, and their maturity is during the Offer Period, such distributions shall be deducted from the highest price of the two prices mentioned in the two items above.

**Article 3-5-2-2**

As an exception to the provisions of the previous Article, in the event that a Person obligated to submit a Mandatory Acquisition Offer fails to comply with the provisions of Article (3-2-3) of this Module, or submit a Mandatory Acquisition Offer Document during the legally specified period pursuant to Appendix (5) of this Module, the submitted Mandatory Acquisition Offer shall be a cash offer equivalent to the highest price of the two prices mentioned in the previous Article or one of the following prices:

1. The weighted average of the daily price in the Exchange of the Offeree company through the six months preceding the issuance date of the Authority's resolution requiring him to submit a Mandatory Acquisition Offer; and this price shall be calculated by the Exchange; or
2. The highest price paid by the Offeror, any Person whether Subsidiary or person with whom they are Acting in Concert with it during the six months preceding the issuance date of the Authority's resolution requiring him to submit a Mandatory Acquisition Offer; or
3. The highest paid share price within the period from the issuance date of the Authority's resolution requiring the person obligated to submit a Mandatory Acquisition Offer until the date of disclosing the obligation to submit a Mandatory Acquisition Offer Document.

In the event that cash distributions are approved for the Offeree's shareholders, and their maturity is during the Offer Period, such distributions shall be deducted from the highest price of the prices mentioned above.

<b>Article 3-5-3</b>	Provisions of mandatory acquisition stipulated in this module shall apply on the <u>Person</u> or any of its subsidiaries or persons with whom they are <u>Acting in Concert</u> with, as a result of the ownership of the <u>Person</u> , its subsidiary or those <u>Acting in Concert</u> with it, directly or indirectly, of a collected percentage that exceeds 30% of traded <u>Securities</u> of a <u>Listed Shareholding Company</u> .
<b>Article 3-5-4</b>	The <u>Authority</u> shall issue a written and reasoned decision on the exemption of offering the <u>Mandatory Acquisition Offer</u> according to the exemption cases provided for in the <u>Law</u> and the <u>Bylaws</u> based on an application submitted by the <u>Person</u> that it decides the exemption for its interest.
<b>Article 3-5-5</b>	All persons comply with mandatory acquisition provisions referred to in this module shall follow the procedures of executing mandatory acquisition set out in Appendix 5 of this module.
<b>Article 3-6</b>	<b>Percentage of Sale or Purchase Permitted for Controllers of a Listed Company's Shares</b>
	<b>Scope of Application</b>
<b>Article 3-6-1</b>	A <u>Controller</u> may sell or purchase <u>Shares</u> of a <u>Listed Company</u> without being obliged to submit an <u>Acquisition Offer</u> in accordance with provisions of Article (74) of the <u>Law</u> provided that the following provisions shall be taken into consideration.
	<b>Permitted Percentage of Sale or Purchase</b>
<b>Article 3-6-2</b>	The <u>Controller</u> of a <u>Listed Company</u> may sell or purchase <u>Shares</u> of such company with a specific range of the company's capital, in accordance with the following percentages: <ul style="list-style-type: none"> <li>• ± 2% semi-annually for ownerships over 30% to 50%.</li> <li>• ± 5% semi-annually for ownerships over 50% to 100%.</li> </ul> <p>The <u>Controller</u> shall complete the form prepared for this purpose as set out in Appendix 6 of this Module and submit the form to the <u>Authority</u> before achieving such interest.</p>
<b>Article 3-6-3</b>	The <u>Controller</u> of a percentage of more than 50% of a <u>Listed Company's Traded Shares</u> , who previously submitted an <u>Acquisition Offer</u> under the provisions of the <u>Law</u> and these <u>Bylaws</u> , may increase their ownership in any percentage in the controlled company's capital.

### Mechanism for Calculating the Amount of Sale or Purchase

#### Article 3-6-4

The permitted percentage of sale or purchase shall be calculated in two periods throughout the calendar year:

1. The period from 1 January to 30 June.
2. The period from 1 July to 31 December.

The permitted percentage of sale or purchase shall be calculated based on the total ownership of the Controller at the beginning of these periods.

This percentage shall also include any sale or purchase, whether directly or indirectly, by the Subsidiary Companies or persons with whom they are Acting in Concert with it.

#### Article 3-6-5

The Controllers shall be entitled to sell or purchase directly in the Exchange; such parties shall comply with the requirements of disclosure provisions as set out in these Bylaws; provided that the disclosure shall include the following:

1. Disclosing the percentage of Shares sold or purchased.
2. Disclosing the Subsidiary Companies or persons with whom they are Acting in Concert with it.
3. The total remaining percentage permitted for the Controller to sell or purchase within six months.

### Exceeding the Permitted Percentage of Purchase

#### Article 3-6-6

In the event of exceeding the permitted percentage of purchase, or in the event that the percentage of ownership decreased to become less than 30% of the Listed Company's Shares but then increased again over such percentage, the Controller shall be obliged to submit a Mandatory Acquisition Offer in accordance with the provisions of Article (3-6-2) of this Module.

### Exceeding the Permitted Percentage of Sale

#### Article 3-6-7

The Controller shall be obligated to disclose the sale process in the event it intends to reduce its ownership in the company subject to Control to become less than 30% percentage of the company's Traded Shares, by contacting the Authority before achieving such interest and completing the form concerning sales or purchases permitted for the Controllers of a Listed Company in the Exchange set out in Appendix 6 of this Module. The form referred to shall be submitted to the Authority and announced in the Exchange.



**Article 3-7**

**Additional Provisions for Voluntary Acquisitions**

**Article 3-7-1**

An Offeror shall notify the Authority of any Initial Agreement concerning an Acquisition Offer of a Listed Company before disclosure in an Exchange; such notification shall be accompanied by an acknowledgment to pursue this offer, and that it has taken all necessary procedures in order to proceed with the acquisition process, and in the event of withdrawal for reasons unacceptable to the Authority, the Offeror shall be responsible for any damages that may occur to any Person as a result of such withdrawal and the Authority may require the Offeror to submit any other guarantees to ensure the Offeror's commitment.

**Article 3-7-2**

It is not permitted to withdraw from a Voluntary Acquisition Offer after disclosing the Initial Agreement in the Exchange except for cases set out in Article (3-7-4) of this Module.

**Article 3-7-3**

In the event of an Offeror's withdrawal of an Acquisition Offer, he shall be prohibited from submitting any Acquisition Offer to the concerned company within the six months subsequent to the Authority's approval of withdrawal.

**Article 3-7-4**

The Authority may issue its approval of an Offeror's withdrawal of a Voluntary Acquisition Offer in the following cases:

1. Occurrence of an event of fundamental importance after the disclosure of the Initial Agreement.
2. Violation of any of the terms and conditions required to complete the transaction.
3. Failure to collect the intended percentage of Shares as stated in the Offer Document.
4. Any other case defined by the Authority.

**Article 3-7-5**

In the event that the Authority approves a withdrawal from a Voluntary Acquisition Offer during the Collection Period of the Offeree company's shares, the Acquisition Manager shall immediately release the shares of those participating in the Acquisition Offer.

**Article 3-7-6**

Withdrawal from a Voluntary Acquisition Offer is prohibited after the Authority has issued its approval for undertaking an Acquisition Offer process in accordance with procedures set out in Article (16) of Appendix 2 of this Module.

**Article 3-7-7**

All Persons shall be bound by the provisions of Voluntary Acquisition Offer set out in this Module and shall follow the procedures of executing Voluntary Acquisition Offers set out in Appendix 2 of this Module.



**Article 3-8**

**Non-Cash Voluntary Acquisition**

**Article 3-8-1**

A Non-Cash Voluntary Offer is an offer to acquire, or solicitation to procure the acquisition of Shares of one or more classes or Shares of an Offeree Listed Company other than Shares owned by the Offeror, its Subsidiary or those Acting in Concert with it on the date of offer submission in exchange of Shares issued by the Offeror company or for a combination of cash and Shares issued by the Offeror company.

**Article 3-8-2**

If the equivalent used for financing the Offer includes issuance of Securities that will be listed or Securities issued by a Listed Company, a new Prospectus shall be prepared in accordance with these Bylaws.

**Article 3-8-3**

In the event that an Offeror Company wishes to submit a Non-Cash Voluntary Acquisition Offer that consists solely of Shares to be issued in its capital to the shareholders of the offeree company, then the Offeror company shall submit an undertaking to its shareholders whose ownership along with any Subsidiary and person with whom they are Acting in Concert with it reaches 20% of the total outstanding Shares Issued by such company not to sell their shares in the Offeror company for not less than twelve months commencing from date of execution of the Acquisition Offer.

**Article 3-8-4**

All Persons shall comply with Non-Cash Voluntary Acquisition provisions set out in this Module and follow the procedures of executing Non-Cash Voluntary Acquisition Offers set out in Appendix 3 of this Module.

**Article 3-9**

**Competitive Acquisition**

**Article 3-9-1**

An Offeror of a Competitive Acquisition Offer is any party or parties submitting one or more Competitive Acquisition Offers other than the Original Acquisition Offer.

A Competitive Acquisition Offer is a Voluntary Acquisition Offer submitted with the purpose of competing with an Original Acquisition Offer.

A Competitive Offer Period is the period commencing from the disclosure of a Competitive Acquisition Offer until a decision thereupon has been issued by the general assembly of the Offeree company.

**Article 3-9-2**

A Competitive Acquisition Offer may be submitted if the offer includes a material addition or fundamental modification of the terms and conditions of the Original Acquisition Offer; the Offeror of a Competitive Acquisition shall clarify the purpose of the Offer Submission.

**Article 3-9-3**

An Offeror of a Competitive Acquisition may submit its Offer after an Original Offer Document has been published and five Business Days before the end of Collection Period of the Original Acquisition Offer; proceedings of the Original Acquisition Offer shall be suspended for ten Business Days following Competitive Acquisition Offer submission during which the Authority shall issue a resolution on the Competitive Acquisition Offer and in the event that the Authority approves the Competitive Acquisition Offer Document proceedings of the Original Acquisition Offer shall continue to be suspended until the ordinary general assembly of the Offeree Company issues its resolution choosing between the offers, taking in consideration the periods set out in Article (3-9-10) of this Module. In this case, the Original Acquisition Manager shall release Shares collected before the suspension of the proceedings of the Acquisition Offer.

In the event that the Authority disapproves a Competitive Acquisition Offer Document, proceedings of the Original Acquisition Offer shall resume after excluding the suspension period.

- Article 3-9-4** An Offeror of a Competitive Acquisition shall be required to abide by the disclosure rules when submitting a Competitive Acquisition Offer Document in accordance with Article (3-2-1) of this Module, taking into consideration the announcement mechanism set out in Article (3-3-9) of this Module.
- Article 3-9-5** An Offeror of a Competitive Acquisition shall pay the fees defined for a Competitive Acquisition Offer Document to the Authority, directly after disclosure.
- Article 3-9-6** Members of the Board of Directors of the Offeree company shall deal neutrally with both the Original Acquisition Offer and Competitive Acquisition Offer, and the Board of Directors of the Offeree Company shall make the same information available for both the Offeror of an Original Acquisition and Offeror of a Competitive Acquisition.
- Article 3-9-7** Without prejudice to any of the provisions set out in these Bylaws, the Offeror of an Original Acquisition, after a Competitive Acquisition Offer has been submitted, and before the ordinary general assembly of the Offeree company is held for considering the choice of the two offers, may submit to the Authority a request to modify the Offer Document if it wishes to modify the conditions related to the Acquisition Offer provided that such a modification shall be material and in favour of the shareholders, and the following procedures shall be adopted:
1. An Offeror of an Original Acquisition Offer may submit a request to the Authority to modify their Offer setting out their reasons provided that the Modified Offer Document shall be attached with the request; and the Offer Document and its contents may not be published before being approved by the Authority.
  2. Procedures of the Original Acquisition Offer and Competitive Acquisition Offer shall be suspended for ten Business Days during which the Authority shall issue its decision concerning the Modified Offer Document.
  3. In the event that the Authority approves the Modified Original Offer Document, the procedures of executing a Competitive Acquisition Offer set out in clause No. (5) as well as the subsequent paragraphs of Appendix 4 of this Module shall be completed.
  4. In the event that the Authority disapproves the Modified Offer Document, the Offeror shall complete the procedures of executing the Acquisition Offer in accordance with the Original Offer Document commencing from the subsequent day of the Authority's announcement of rejecting the Modified Offer Document.

- Article 3-9-8** An Offeror of a Competitive Acquisition Offer may modify its offer after the Original Acquisition Offer has been modified in accordance with Article (3-9-7) of this Module provided that the same provisions and procedures adopted in relation to modification of Original Acquisition Offer are followed.
- Article 3-9-9** In all cases, an Offeror of an Original Acquisition Offer and an Offeror of a Competitive Acquisition Offer may not modify such an offer more than once.
- Article 3-9-10** If the ordinary general assembly of an Offeree company does not issue a resolution choosing one of the competitive offers and the acquisition Offer Period, calculated from publishing the Original Acquisition Offer Document exceeds one hundred and eighty days, the Exchange shall hold an auction within the following ten Business Days among the offerors, whereas the auction shall be awarded to the highest cash price; provided that the highest price of submitted Acquisition Offers is the auction's basic price.
- All Acquisition Offers shall be annulled if one of the Original Acquisition Offer or the Competitive Acquisition Offer includes Non-Cash Voluntary Acquisition Offer.
- Article 3-9-11** All persons shall comply with provisions concerning Competitive Acquisition Offers referred to in this Module and shall follow procedures of executing Competitive Acquisition Offers set out in Appendix 4 of this Module.
- Article 3-9-12** Except for provisions set out in Article (3-9) of this Module, an Offeror of a Competitive Acquisition Offer is under the same obligations imposed on an Offeror of an Original Acquisition Offer.

**Article 3-10**

**Reverse Acquisition**

**Article 3-10-1**

A Reverse Acquisition is any arrangement under which a Listed Company issues new shares and offers them to shareholders of an unlisted company in return of their shares, so that the new shares represent more than 50% of the Issued Shares in a Listed Company after the acquisition has been executed.

**Article 3-10-2**

Each Listed Company shall immediately notify the Authority and disclose in the Exchange any information received concerning any arrangement relating to a Reverse Acquisition as defined in Article (3-10-1) of this Module.

**Article 3-10-3**

While disclosing or executing any Reverse Acquisition, the Shares of the Offeror shall be suspended from trading until the transaction is completed, and once it is completed the listed shares of the Offeror shall be delisted; the company may submit a new listing request in accordance with the listing requirements set out in these Bylaws.

**Owning a Percentage not less than 5% and not more than 30% of Shares of a Listed Company.**

**Article 3-11**

Module Eleven (Dealing in Securities) of these Bylaws sets out the provisions related to owning a percentage of not less than 5% and not more than 30 % of the Shares of a Listed Company.

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**Article 3-12**

**Protection of Minority Rights**

**Article 3-12-1**

Any shareholder or a number of shareholders, whose ownership percentage of Shares of a Listed Company is not less than 5% and not more than 30%, may submit to the Authority individually or jointly an objection to the resolutions of an ordinary or extraordinary general assembly, in accordance with the following conditions:

1. The objection shall be submitted within fifteen days from date of the issuance of the resolution objected to or their knowledge thereof, whichever is longer.
2. The objecting shareholders shall not be among those who approved the objected resolution.
3. The objected resolution shall constitute an abuse of minority rights.

- Article 3-12-2** The objection shall be submitted in the form of a grievance and shall include the following:
1. Names of the objecting shareholders and evidence of their ownership of Shares in the company subject to objection.
  2. A statement of the objected resolution and its date of issuance.
  3. A detailed statement of the reasons behind the objection to the resolution and stating how it amounts to an abuse of minority rights.
  4. A statement verifying the shareholders agreement in objection to the resolutions of an ordinary or extraordinary general assembly, in case the objection is submitted jointly by a number of shareholders.
- Article 3-12-3** The Authority may ask objecting shareholders or the company subject to the objection to provide additional data or documents deemed necessary to decide on the grievance.
- Article 3-12-4** The Authority shall decide on the grievance within twenty days from the date of the submission of the grievance or the date it was provided with data or documents set out in Article (3-12-2) of this Module. If the Authority does not respond to such grievance during that period, the grievance shall be construed as disapproved.
- Article 3-12-5** The Authority's resolution may be challenged before the competent court within sixty days from the date notifying the concerned parties, or the date of their knowledge thereof, or the date of publication on the Authority's website or in the Official Gazette. Any challenge shall be made through a writ of summons before the competent court filed against the Authority and the company subject of the grievance or the grievant, otherwise the lawsuit shall be dismissed. The competent court may confirm, annul or modify the general assembly's resolutions.

**Article 3-13**

**Joint Acquisition Offer among Parties Acting in Concert**

**Article 3-13-1**

The acquisition provisions set out in Chapter Three (Acquisitions) of Module Nine (Mergers and Acquisitions) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments shall apply to the Joint Acquisition among the parties Acting in Concert, except for the Reverse Acquisition provisions set forth in Article (3-10) of this Module.

**Article 3-13-2**

The Authority shall be notified before the disclosure of an Initial Agreement regarding an Acquisition Offer, and such disclosure shall include:

1. Names of parties Acting in Concert, purpose and term thereof.
2. Offeree company

Provided that such notification shall not include information that is listed in the Offer Document such as price, timeline, Acquisition Manager, sources of finance or other information that shall be included in the Offer Document.

**Article 3-13-3**

The parties Acting in Concert shall provide the Authority with the following:

1. Acting in Concert agreement.
2. Person responsible for the parties Acting in Concert before Regulatory Bodies.
3. The party responsible for the use of the voting rights arising from the ownership of the Shares of the parties Acting in Concert.

**Article 3-13-4**

Parties Acting in Concert shall comply with the additional conditions of Joint Acquisition Offer among parties Acting in Concert mentioned in Appendix 10 of this Module.

## Chapter Four

### Partial Purchase Offer

- Article 4-1-1** Any Person may submit a Partial Purchase Offer at any time in accordance with the provisions of these Bylaws.
- Article 4-1-2** An Offeror of Partial Purchase shall treat all shareholders within each separate category of shares of the Offeree of Partial Purchase equally.
- During the Partial Purchase Offer Period or while an offer is under consideration, an Offeror of Partial Purchase, an Offeree of Partial Purchase or any of their advisors may not submit information to certain shareholders without making such information available to the rest of the shareholders.
- Article 4-1-3** An Offeror of Partial Purchase shall submit his offer directly to shareholders of the Offeree of Partial Purchase provided that each shareholder shall be given the choice to sell their Shares to the Offeror of Partial Purchase or to retain them.
- Article 4-1-4** A Partial Purchase Offer shall be a cash offer that leads to, after the execution of the Partial Purchase Offer, obtaining a percentage not less than 30% and not more than 50% of the capital of a Listed Company on the Exchange by the Offeror, provided that the direct and indirect ownership of the Offeror of Partial Purchase and its Subsidiaries or persons with whom it is Acting in Concert shall not exceed 50% of the capital of the Offeree of Partial Purchase after execution.
- Article 4-1-5** The percentage that is meant to be obtained pursuant to the Partial Purchase Offer shall not be less than 5% of the total capital of the Offeree of Partial Purchase.
- Article 4-1-6** The submission of the Partial Purchase Offer shall not be the result of application of the Mandatory Acquisition provisions.
- Article 4-1-7** An Offeror of Partial Purchase shall obtain approval from the Central Bank before submitting a Partial Purchase Offer to any Unit Subject to the Supervision of the Central Bank.



### Investment Advisor

#### Article 4-1-8

An Investment Advisor, of any of the Offer parties, shall be independent, not a Stakeholder, and shall be licensed by the Authority unless they create and maintain a Chinese Wall between the licensed activities in accordance with the provisions of Module Five (Securities Activities and Registered Persons), Module Six (Policies and Procedures of Licensed Person) and Module Eight (Conduct of Business) of these Bylaws.

#### Article 4-1-9

An Offeror of Partial Purchase, if it is a Listed Company on the Exchange, and the Offeree of Partial Purchase shall obtain independent advice concerning the offer from an Investment Advisor and shall make available the details of such advice to the shareholders or partners of the two companies.

### Commitments of Board of Directors of an Offeree of Partial Purchase

#### Article 4-1-10

The Board of Directors of an Offeree of Partial Purchase shall provide its shareholders with adequate information and recommendations in order to enable them to reach a decision to approve or to refuse the offer.

#### Article 4-1-11

Members of a Board of Directors of an Offeree of Partial Purchase shall avoid any conflict of interest when making any recommendation to the company's shareholders with regard to any Partial Purchase Offer.

#### Article 4-1-12

The Offeree of Partial Purchase shall invite its shareholders to an ordinary general assembly after to approve the Partial Purchase Offer.

### Notification to the Authority for the Protection of Competition

#### Article 4-1-13

An Offeror of Partial Purchase shall comply with the provisions of the Protection of Competition Law and its executive bylaws if the acquisition would lead to control or increase in existing control of the Relevant Market value.

### Dealing on the Basis of Inside Information Related to the Offer

#### Article 4-1-14

An Insider who is in possession of Inside Information may not deal in shares of the Offeree of Partial Purchase, its Subsidiaries or persons with whom they are Acting in Concert with it.

This prohibition also includes dealing in the shares of the Offeror of Partial Purchase or its Subsidiaries or with whom they are Acting in Concert with if any of these parties is a Listed Company on the Exchange.

**Article 4-1-15** Without prejudice to the provisions of Article (4-1-10) of this Module, an Insider who is in possession of Inside Information related to any Partial Purchase Offer is prohibited from making a recommendation to any other Person concerning dealing in related shares. An Insider shall not reveal the Inside Information.

**Restrictions and Provisions of Trading in Securities related to the Partial Purchase Offer**

**Article 4-1-16** Once the Initial Agreement concerning a Partial Purchase Offer is disclosed, shares of the Offeree of Partial Purchase shall be suspended for one hour in the trading session.

**Article 4-1-17** During the Partial Purchase Offer Period, an Offeror of Partial Purchase or any Subsidiary or person with whom they are Acting in Concert with may not sell any shares of the Offeree of Partial Purchase without obtaining prior approval by the Authority.

**Article 4-1-18** If an Offeror of Partial Purchase or any Subsidiary or persons with whom they are Acting in Concert with purchases shares of the Offeree of Partial Purchase at a price higher than the offer price during the Partial Purchase Offer Period, they shall increase the value of their bid to not less than the highest price paid to acquire the shares during such period; and they shall disclose directly after purchase that the Offer shall be modified, and the disclosure shall set out the number of purchased Shares and the price paid.

**Article 4-1-19** An Investment Advisor of an Offeror of Partial Purchase or Offeree of Partial Purchase, or the Investment Advisor of any Subsidiary or persons with whom they are Acting in Concert with, or Group member of the Investment Advisors may not perform any of the following during the offer period:

1. Subscribing for or purchasing shares of the Offeree of Partial Purchase or dealing in the Financial Derivatives of such Shares for their own account.
2. Encouraging any Person by any means or form to keep deal in or abstain from Dealing in Securities related to the Offeree of Partial Purchase.

### Restrictions on the Board of Directors of an Offeree Company

#### Article 4-1-20

An Offeree of Partial Purchase may not, during a Partial Purchase Offer Period or primary negotiations concerning an offer, perform any of the following:

1. Issue new Shares within the limits of authorized capital, or issue or grant option contracts related to such Shares.
2. Issue any Securities convertible to Shares.
3. Dispose of any Asset of Significant Value.
4. Enter into contracts that are beyond the normal business operations of the company.
5. Adopt any procedure that would lead to refusing the offer or constraining the shareholders' choice to make a decision in this regard.
6. Impose significant financial obligations on the company, with the exception of those within the limits of enabling it to finance and practice its normal operations.

Restrictions imposed under this Article shall not violate the rights of an Offeree of Partial Purchase to take any action set out in this Article, provided that the approval of the shareholders is given in a general assembly or if the company becomes committed to take such action before offer submission.

### Conflicts of Interest

#### Article 4-1-21

Members of a Board of Directors of any of the offer parties may not vote in the Board of Directors, its sub-committees, or the general assembly, if they have an interest in the Partial Purchase Offer, and it shall not be construed as an interest if a Member of a Board of Directors has a participation in the Offeree of Partial Purchase or the Offeror of Partial Purchase if the percentage of such participation does not reach 5% of Traded Shares of the Offeree of Partial Purchase.

Any indirect interest or in alliance with others shall be disclosed in accordance with the provisions of Module Ten (Disclosure and Transparency) of these Bylaws.

### Partial Purchase Offer in the Existence of Parties with Effective Control

#### Article 4-1-22

If a Person has Effective Control of either an Offeror of Partial Purchase or an Offeree of Partial Purchase or both before the execution of a Partial Purchase Offer, the Offer Document shall include the following additional information:

1. Name of any person with Effective Control and any Subsidiaries or persons with whom they are Acting in Concert.
2. A statement of the existing ownership of the person with Effective Control in each party of the offer, including any shares owned or controlled by that party, or by any Subsidiary or person with whom they are Acting in Concert with, or that the party with Effective Control or any Subsidiary or person with whom they are Acting in Concert with has an option of purchasing such shares.
3. A statement of whether the person with Effective Control holds a position of employment or serves as a Member of a Board of Directors at any of the companies involved in the offer.
4. An opinion of the Members of a Board of Directors of the Offeree of Partial Purchase concerning the offer and whether it is fair and reasonable for the rest of the shareholders other than the party with Effective Control, and the fact that the Members of a Board of Directors have developed this opinion without any role by such person.
5. Any reservations made by the Members of a Board of Directors concerning the offer, if any.

#### Article 4-2

### Rules Regulating Partial Purchase Offers

#### Announcements and Disclosures of Partial Purchase Offers

#### Article 4-2-1

Without prejudice to the obligation of disclosure set out in these Bylaws, an Offeror of Partial Purchase and an Offeree of Partial Purchase shall disclose the following information:

1. Whether the parties have concluded an Initial Agreement with regard to a Partial Purchase Offer.
2. When the Offeree of Partial Purchase is notified of a serious intention to submit the purchase offer.
3. When the Authority approves the publishing of a Partial Purchase Offer Document.
4. Any recommendation, when made, of the Board of Directors of the Offeree of Partial Purchase concerning the submitted offer.
5. When the general assembly of the Offeree of Partial Purchase issues its decision regarding the offer.
6. The completion of the Collection Period, disclosing the percentage of Shares collected.
7. The completion of all the procedures for the execution of the Partial Purchase Offer.
8. Any other disclosure required by the Authority.

### Procedures for Primary Disclosure of a Partial Purchase Offer

#### Article 4-2-2

The Authority shall be notified before the disclosure of an Initial Agreement regarding a Partial Purchase Offer, and such disclosure shall include name of the Offeror of Partial Purchase and the Offeree of Partial Purchase, and number of shares to be obtained from the capital of the Offeree of Partial Purchase, provided that such disclosure shall not include information that is listed in the Partial Purchase Offer Document such as price, timeline, Partial Purchase Offer Manager, sources of finance or other information that shall be included in the Partial Purchase Offer Document.

#### Article 4-3

### Partial Purchase Offer Document

#### Article 4-3-1

A Partial Purchase Offer Document shall in particular include the following information:

1. Adequate information about the Offeror of Partial Purchase and Offeree of Partial Purchase.
2. Details of the Offeree of Partial Purchase shares and any related rights or obligations.
3. Total amount of the submitted offer, number of shares, and percentage to be obtained from the capital of the Offeree of Partial Purchase.
4. Full description of the financing of the offer and the sources of financing, as well as stating the names of the main lenders or those who make the necessary arrangements for financing.
5. Details of the required documents and the procedures necessary to be followed for offer acceptance.
6. A statement of any conditions or restrictions to which the offer is subject, and any related procedures.
7. The timeline for the Partial Purchase Offer.
8. Ownership of shares and any Control shares of the Offeror of Partial Purchase in the Offeree of Partial Purchase.
9. Ownership of shares and any Control shares of the Offeror of Partial Purchase in the Offeree of Partial Purchase which includes an interest in the Members of the Board of Directors of the Offeror of Partial Purchase; or ownership of or control by a Subsidiary or a person with whom they are Acting in Concert, along with their name and the ownership of shares or a Controlled stake by persons who are committed to accept the offer irrevocably before publishing the Partial Purchase Offer Document, along with their names.
10. Any other information required by the Authority.

**Article 4-3-2** A Partial Purchase Offer Document shall include a statement stating whether there is an agreement, arrangement or procedure between the Offeror of Partial Purchase or any Subsidiary or person with whom they are Acting in Concert with the Offeror of Partial Purchase and any of the Members of a Board of Directors of the Offeree of Partial Purchase or its shareholders as well as details of such agreements or procedures.

**Article 4-3-3** A Partial Purchase Offer Document shall include a statement clarifying whether the Shares that are meant to be purchased under the offer shall be transferred to any other Persons or not, along with the names of the parties in any related agreement, if any, as well as the details of any Securities owned by those persons in the Offeree of Partial Purchase.

#### **Approving and Publishing a Partial Purchase Offer Document**

**Article 4-3-4** An Offeror of Partial Purchase shall submit a Partial Purchase Offer Document to the Authority in order to obtain its approval within 90 days from disclosing the Initial Agreement regarding the Partial Purchase Offer; provided that the number of shares and the percentage to be obtained from the capital of the Offeree of the Partial Purchase. The Partial Purchase Offer Document may not be published before the Authority's approval.

**Article 4-3-5** The Authority shall issue its approval of a Partial Purchase Offer Document within ten Business Days at most commencing from date of receiving all documents, data and other information that may be required;

**Article 4-3-6** The Authority may refrain from issuing its approval in the following cases:

1. If the offer does not comply with the provisions of the Law and the requirements of these Bylaws.
2. If the offer is not accompanied by the required fees.
3. If the Offeror of Partial Purchase fails to submit the data required under the provisions of the Law and these Bylaws.
4. If the offer includes an incorrect or missing statement that would affect the decision of the shareholders.

**Article 4-3-7** If the Authority approves a Partial Purchase Offer Document, it shall be published by the Offeror of the Partial Purchase or their representative in accordance with a timetable approved by the Authority pursuant to the mechanism for issuing an announcement set out in Article (4-3-8) of this Module.

### **Mechanism of Announcement related to Publishing Acquisition Offer Document**

#### **Article 4-3-8**

An Offeror of Partial Purchase shall disclose the Authority's approval of the Partial Purchase Offer Document on an Exchange and it shall be announced on the website of the Offeror of Partial Purchase and of the Offeree of Partial Purchase as well as in a minimum of two daily newspapers.

### **Recommendation of the Board of Directors of an Offeree Company**

#### **Article 4-3-9**

The Board of Directors of an Offeree of Partial Purchase shall, within seven Business Days from receipt of the Partial Purchase Offer Document, submit a response to the Authority stating its opinion and recommendations to the shareholders, as well as the opinion of an Investment Advisor; and the recommendation to the shareholders related to the offer shall be published in accordance with the mechanism adopted under Article (4-3-8) of this Module.

#### **Article 4-3-10**

If the Authority approves the Partial Purchase Offer Document, an Offeror of Partial Purchase shall obtain the approval of the ordinary general assembly of an Offeree of Partial Purchase, the voting percentage approving a Partial Purchase Offer by a vote not less than 70% of the shareholders present.

### **Documents Available for Review**

#### **Article 4-3-11**

An Offeror of Partial Purchase and the Offeree of Partial Purchase shall make the following documents available for review:

1. Partial Purchase Offer Document and its attachments.
2. The recommendation of the Board of Directors of the Offeree of Partial Purchase concerning the offer.
3. The Company Contracts of the Offeror of Partial Purchase and the Offeree of Partial Purchase and any other similar documents.
4. The audited financial statements of the Offeror of Partial Purchase and the Offeree of Partial Purchase for the three years preceding the offer, if any.
5. Any report, letter, evaluation or other document that was presented or referred to in the Partial Purchase Offer Document.
6. Any document that serves as evidence for an irrevocable commitment to accept the offer.
7. Documentation of the financial arrangements regarding financing the offer if such arrangements were set out in the Partial Purchase Offer Document.
8. Any other documents required by the Authority.

The Partial Purchase Offer Document shall clarify the place in which such documents shall be available for review.

Article 4-3-12

**Modification of a Partial Purchase Offer**

Without prejudice to any of the provisions set out in these Bylaws, an Offeror of Partial Purchase may submit to the Authority a request to modify a Partial Purchase Offer Document within five Business Days, at most, of the closing of Collection Period of the Offeree of Partial Purchase shares; this is in case of desire to modify one of the conditions related to executing the process mentioned in the Partial Purchase Offer Document provided that such a modification shall be made in favour of the shareholders of the Offeree of Partial Purchase, and the following procedures shall be followed:

1. The Offeror of Partial Purchase shall submit a request to the Authority setting out the reasons for modifying the Partial Purchase Offer attaching the modified Partial Purchase Offer Document, which may not be published before being approved by the Authority.
2. Procedures for executing the Purchase Offer process shall be suspended for ten Business Days, during which the Authority shall issue its decision concerning the modified Partial Purchase Offer Document.
3. In the event that the Authority approves the modified Partial Purchase Offer Document, the collection process of the portfolio of the Partial Purchase Offer Manager shall reopen, provided that the shares of those intending to participate in the Partial Purchase Offer are collected, even if they never participated in the previous collection process. The re-opening of the collection process shall be announced in accordance with the mechanism of announcement set out in Article (4-3-8) of this Module; and the Partial Purchase Offer Manager shall be immediately release any shares related to participants in the previous collection process as well as those intending to decline their participation in the Partial Purchase Offer after the modification of the Partial Purchase Offer Document.
4. In the event that the Authority's rejects the modified Partial Purchase Offer Document, the Offeror of Partial Purchase shall complete the procedures of executing the purchase process in accordance with the original Partial Purchase Offer Document; as of the day following the Authority's announcement rejecting the modified Partial Purchase Offer Document.



### Extending Shares Collection Period

#### Article 4-3-13

An Offeror of Partial Purchase may submit to the Authority a request to extend the Collection Period of a purchase process; in accordance with the following conditions:

1. The Offeror of Partial Purchase may submit a request to extend the Collection Period before the Partial Purchase Offer Document is published; with a justified request to be submitted to the Authority that shall include the modified timetable.
2. The Offeror of Partial Purchase may submit a request to extend the Collection Period to a maximum of five Business Days before the end of collecting the Offeree of Partial Purchase shares, and the following procedures shall be adopted:
  - a. The Offeror of Partial Purchase shall submit to the Authority a request setting out the reasons for its request to extend the Collection Period; provided that the modified timetable of the Partial Purchase Offer Document be attached.
  - b. The Authority shall notify the Offeror of the Partial Purchase of its decision concerning the extension of the Collection Period for those wishing to participate in the purchase process.
  - c. In the event that the Authority approves, the Offeror of Partial Purchase shall announce the extension of the Collection Period and publish the updated timetable by using the mechanism of announcement set out in Article (4-3-8) of this Module.
  - d. In the event that the Authority rejects the extension request, the Offeror of Partial Purchase shall follow the original timetable.

#### Article 4-4

### Withdrawal from Executing a Partial Purchase Offer

#### Article 4-4-1

It is not permitted to withdraw from a Partial Purchase Offer after disclosing the Initial Agreement in the Exchange except for cases set out in Article (4-4-3) of this Module.

#### Article 4-4-2

In the event of an Offeror of Partial Purchase withdrawal of a Partial Purchase Offer, he shall be prohibited from submitting any other offer to the concerned company within the six months subsequent to the Authority's approval of withdrawal.

<b>Article 4-4-3</b>	The <u>Authority</u> may issue its approval of an <u>Offeror of Partial Purchase</u> withdrawal of a <u>Partial Purchase Offer</u> in the following cases: <ol style="list-style-type: none"><li>1. Occurrence of an event of fundamental importance after the disclosure of the <u>Initial Agreement</u>.</li><li>2. Violation of any of the terms and conditions required to complete the purchase offer.</li><li>3. Any other case defined by the <u>Authority</u>.</li></ol>
<b>Article 4-4-4</b>	In the event that the <u>Authority</u> approves a withdrawal from a <u>Partial Purchase Offer</u> during the <u>Collection Period</u> of the <u>Offeree of Partial Purchase</u> shares, the <u>Partial Purchase Offer Manager</u> shall immediately release the shares of those participating in the <u>Partial Purchase Offer</u> .
<b>Article 4-4-5</b>	Withdrawal from a <u>Partial Purchase Offer</u> is prohibited after the <u>Authority</u> has issued its approval for undertaking a <u>Partial Purchase Offer</u> process in accordance with procedures set out in Article (19) of Appendix 9 of this Module.
<b>Failure to Collect Shares</b>	
<b>Article 4-5</b>	A <u>Partial Purchase Offer</u> is void if the number of shares to be purchased cannot be collected under the <u>Partial Purchase Offer Document</u> .
<b>Procedures of Executing Merger Processes</b>	
<b>Article 4-6</b>	All persons shall comply with the <u>Partial Purchase Offer</u> provisions referred to in this Module and follow the procedures for executing the <u>Partial Purchase Offer</u> mentioned in Appendix 9 of this Module.

4

**DISCLAIMER:**

This “translation” of the Bylaws of the Capital Markets Authority from Arabic into English is provided solely for reference. No translation can exactly reflect every aspect of an original text and accordingly this “translation” may be used for guidance but not for legal purposes. Only the Arabic original shall be considered for legal proceedings and legal actions before the competent courts of jurisdiction and in any arbitration mechanism agreed upon by contracting parties to any transaction made under the Law and the Bylaws thereof. The Capital Markets Authority shall not be responsible for any mistake, error and/or misinterpretation made or given by any party based on that party’s interpretation of the Law and the Bylaws whether arising from a reading of the Arabic text or, specifically in the context of this document, the English “translation”. The original Arabic versions, as approved and accordingly published by the Authority, shall constitute the only source of the provisions and regulations of the Law and its Bylaws.

**Appendix 1**  
Procedures of Executing Merger Processes

1. The parties wishing to merge shall submit a request to the Authority and the Authority notifies The Ministry of Commerce and Industry of the Merger request.
2. Companies involved in the Merger shall disclose their readiness to Merge once these companies have reached an Initial Agreement, in accordance with the disclosure announcement mechanism set out in Article (2-4) of this Module; and once disclosure is completed, trading Shares of the companies involved in the Merger shall be suspended for only one hour.
3. Companies involved in the Merger shall obtain independent advice by an independent Investment Advisor. Such advice shall be prepared in accordance with the provisions of Article (2-9) of Chapter Two (Merger) of Module Nine (Mergers and Acquisitions), and shareholders or partners shall be informed of details of such advice; provided that study of the Advisor shall be written in Arabic language and shall include, amongst all things, an asset valuation report of the Merged Companies, the assets value of the merging companies in the event that merger through consolidation, the equivalence that shall be obtained by the shareholders or partners of the Merged Company, an overview of the activity in which the Merging or the new company shall operate, as well as size of control over the total percentage of relevant market value after executing the Merger.
4. Companies involved in a Merger process shall prepare a Draft Merger Contract and submit it to the Authority, in accordance with requirements of the Draft Merger Contracts set out in Chapter Two of Module Nine (Mergers and Acquisitions) of these Bylaws.
5. Companies involved in a Merger shall pay Merger fees upon submitting the Draft Merger Contract to the Authority.
6. The Authority shall issue its resolution within fifteen Business Days commencing from date of receiving the Draft Merger Contract, complete with all required data and conditions by the companies involved in Merger; such companies shall announce the Authority's approval through disclosure mechanism referred to in Article (2-4) of these Bylaws.
7. A Merger application form shall be completed and submitted to the Ministry of Commerce and Industry; the Draft Merger Contracts shall be attached alongside the report of Investment Advisor who is authorized by the Authority, which includes an asset appraisal report.
8. The Ministry shall study the Merger application form, after which it shall issue its approval for initiating the merger procedures.
9. All companies involved in Merger shall call for an extraordinary General Assembly meeting for its shareholders, in order to come up with a resolution regarding the Merger, after no less than fifteen days from the approval of the Draft Merger Contract.
10. The extraordinary General Assembly of the companies involved in Merger shall issue its resolution of approving the Merger.
11. The companies involved in a Merger shall submit to the Ministry of Commerce and Industry the approval of the Bondholders Association or Sukukholders Association of the Merger process, in addition to the approval of all participants and shareholders, if Merger resolution would lead to an increase in the financial obligations.
12. The Ministry of Commerce and Industry shall undertake procedures for official announcement and will consider objections of the debtors.
13. If the Merger was by consolidation which results in establishing a new legal entity, or by amalgamation which results in the termination of the legal entity of the Merging Company; in both cases it shall be marked in the companies registry and Commercial Register at the Ministry of Commerce and Industry.

14. The Authority shall issue its approval or abstention of executing the Merger, after the defined fees are paid, procedures are assured to be valid and the concerned companies have met criteria stated by the Authority.
15. Companies involved in the Merger shall send the new memorandum and articles of association of the company to the Authority.
16. Companies involved in the Merger shall announce the end of the Merger in accordance with the disclosure procedure stipulated in article (2-4) of this module.

**Appendix 2**  
Procedures of Executing Voluntary Acquisition Offer

1. An Offeror shall notify the Authority of any Initial Agreement concerning an Acquisition Offer of a Listed Company, before disclosure in the Exchange, and such a notification shall be attached with an undertaking to pursue this Offer, to assure that they have taken all necessary procedures in order to proceed with Acquisition Offer, and in the event that withdrawal for reasons unaccepted by the Authority, the Offeror shall be responsible for any damages that may occur to any person as a result of such withdrawal; and the Authority may oblige the Offeror to submit any additional guarantees to ensure the Offeror's commitment.
2. Disclosure of the Initial Agreement concerning Acquisition Offer shall include name of the Offeror and the Offeree Company, provided that such disclosure shall not include information that shall be included in Offer document such as price, schedule, Acquisition Manager, sources of finance or other information that is listed in the Offer document.
3. An Offeror shall submit a Voluntary Acquisition Offer document to the Authority within One Hundred and Eighty Days at most commencing from date of disclosure of the Initial Agreement. The Offeror may request extension of such period.
4. An Offeror Company, if listed in the Exchange, shall obtain independent advice concerning the Offer from an independent Investment Advisor, such advice shall be prepared in accordance with the provisions of Article (3-1-5) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions), provided that the study of the Advisor shall be written in Arabic language and it shall inform the shareholders with the details of such advice that shall include, for example but not limited to, an overview of the sector in which the Offeree Company works as well as size of the Offeror's control on total percentage of relevant market value after executing said acquisition.
5. An Offeror of a Voluntary Acquisition Offer shall assign an Acquisition Manager; provided that such Acquisition Manager is authorized to practice the activity of Investment Portfolios Management.
6. The Offeror shall pay prescribed fees of Acquisition Offer.
7. The Authority shall issue its approval of the Offer Document within ten Business Days at most commencing from date of receiving all documents, data and other information that may be required.
8. In the event that the Authority's approval of Offer, the Offer Document shall be published by the Offeror or a representative on his behalf in accordance with mechanism of announcement referred to in Article (3-3-9) of this Module as well as the schedule endorsed by the Authority; the Offeror of acquisition shall disclose the Authority's approval of Offer Document in the Exchange as well as announce it on the website of the Offeror and the Offeree Company and two daily newspapers at least.
9. Upon publishing the Offer Document, documents defined in Article (3-3-11) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions) of these Bylaws shall be available for review commencing from date of Offer Document publication until the end of Offer Period in a predetermined announced location.
10. The Board of Directors of the Offeree Company shall refer their opinion and recommendations concerning the Offer to both the Authority and the company's shareholders; provided that such a recommendation be accompanied with the Investment Advisor's opinion on the Acquisition Offer within not more than seven Business Days commencing from date of receiving Offer document.



11. Registration at the Acquisition Manager's Portfolio shall commence on the eighth day from publishing the Offer document, provided that Shares of those wishing to participate in the Acquisition Offer shall be collected in accordance with announcement mechanism referred to in Article (3-3-9) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions) of these Bylaws.
12. The Acquisition Manger shall collect Shares of those wishing to participate in the Acquisition Offer within not less than thirty days commencing from date of announcing the commencement of the Collection Period.
13. The Offeror shall disclose to the Exchange the achieved percentage of Acquisition Offer not exceeding the subsequent day of the defined deadline for closing of the Collection Period.
14. The Acquisition Manager shall contact the Clearing Agency to investigate the condition of the Offeree Company's Shares and ensure that there are no restrictions that may prevent the shareholders from disposal of such Shares, otherwise, such Shares shall be excluded from participation in the Acquisition Process.
15. The Offeror shall submit to the Authority a register of the shareholders wishing to participate in the Acquisition Offer and the achieved percentage and shall pay the fees prescribed by the Authority.
16. In the event that the Authority's approval on executing the Acquisition Offer, the following procedures shall be taken:
  - The Offeror or a representative on their behalf shall pay the cash equivalent of the acquired Shares to the Clearing Agency.
  - All Shares of the Offeree Company shall be aggregated in the portfolio managed by the Acquisition Manager.
  - The Acquisition Offer shall be executed through (Share Sale Minutes); the Clearing Agency shall settle the process through transferring Shares in equivalence to paying their value and transferring ownership, in accordance with mechanism of settling trades adopted at the Exchange.
  - Executing Voluntary Acquisition Offer shall be announced with the actual percentage in the Exchange, trading bars as well as published on the Authority's website.

**Appendix 3**  
Procedures of Executing Non-Cash Voluntary Acquisition Offer

1. An Offeror shall notify the Authority of any Initial Agreement concerning the Acquisition Offer of a Listed Company, before disclosure in the Exchange, and such a notification shall be attached with an undertaking to pursue this Offer, to assure that the Offeror has taken all the necessary procedures in order to proceed with the Acquisition Offer, and in the event that withdrawal for reasons unaccepted by the Authority, the Offeror shall be responsible for any damages that may occur to any Person as a result of such withdrawal, and the Authority may oblige the Offeror to submit any other guarantees to ensure the Offeror's commitment.
2. Disclosure of the Initial Agreement concerning the Acquisition Offer shall include name of the Offeror and the Offeree Company, provided that such disclosure shall not include information that shall be included in Offer Document such as price, schedule, Acquisition Manager, sources of finance or other information that is listed in the Offer Document.
3. An Offeror shall submit an Offering Document of Non-Cash Voluntary Acquisition to the Authority within one hundred and eighty Days at most as of the date of disclosure of the Initial Agreement, and the Offeror may request extension of such period.
4. The Offeree Company, if listed in the Exchange, shall obtain independent advice concerning the Offer from an independent Investment Advisor, such advice shall be prepared in accordance with the provisions of Article (3-1-5) of the Chapter Three (Acquisition), Module Nine (Mergers and Acquisitions), provided that the Investment Advisor's advice shall be written in Arabic language and shall inform the shareholders with the details of such advice that shall include, for example but not limited to, an overview of the sector in which the Offeree Company as well as size of the Offeror's control on the aggregate value of the relevant market value after executing said acquisition.
5. An Offeror of the Voluntary Acquisition Offer shall assign an Acquisition Manager, provided that such Acquisition Manager is authorized to practice the activity of Investment Portfolios Management.
6. The Offeror shall pay prescribed fees of Acquisition Offer.
7. The Authority shall issue its approval of the Offer Document within ten Business Days at most as of the date of receiving all documents, data and other information that may be required.
8. In the event that the Authority's approval of the Offer, the Offer Document shall be published by the Offeror or a representative on his behalf in accordance with mechanism of announcement referred to in Article (3-3-9) of this Module as well as the schedule endorsed by the Authority, the Offeror shall disclose the Authority's approval of the Offer Document in the Exchange as well as announce it on the website of the Offeror and the Offeree Company and two daily newspapers at least.
9. Upon publishing Offer Document, documents set out in Article (3-3-11) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions) of these Bylaws shall be available for review as of the date of the Offer Document publication and until the closing of the Offer Period in a predetermined announced location.
10. The Board of Directors of the Offeree Company shall refer their opinion and recommendations concerning the Offer to both the Authority and the company's shareholders, provided that such a recommendation be accompanied with the Investment Advisor's opinion on the Acquisition Offer within seven Business Days maximum of the date of receiving the Offer Document.
11. The Offeror Company of the Non-Cash Voluntary Acquisition shall submit a request of approval from the competent Regulatory Authorities on holding an extraordinary General Assembly that shall include a Board of Directors' recommendation to increase the company's capital and allocate such increase to shareholders of the Offeree Company, wishing to participate in the Acquisition Offer.

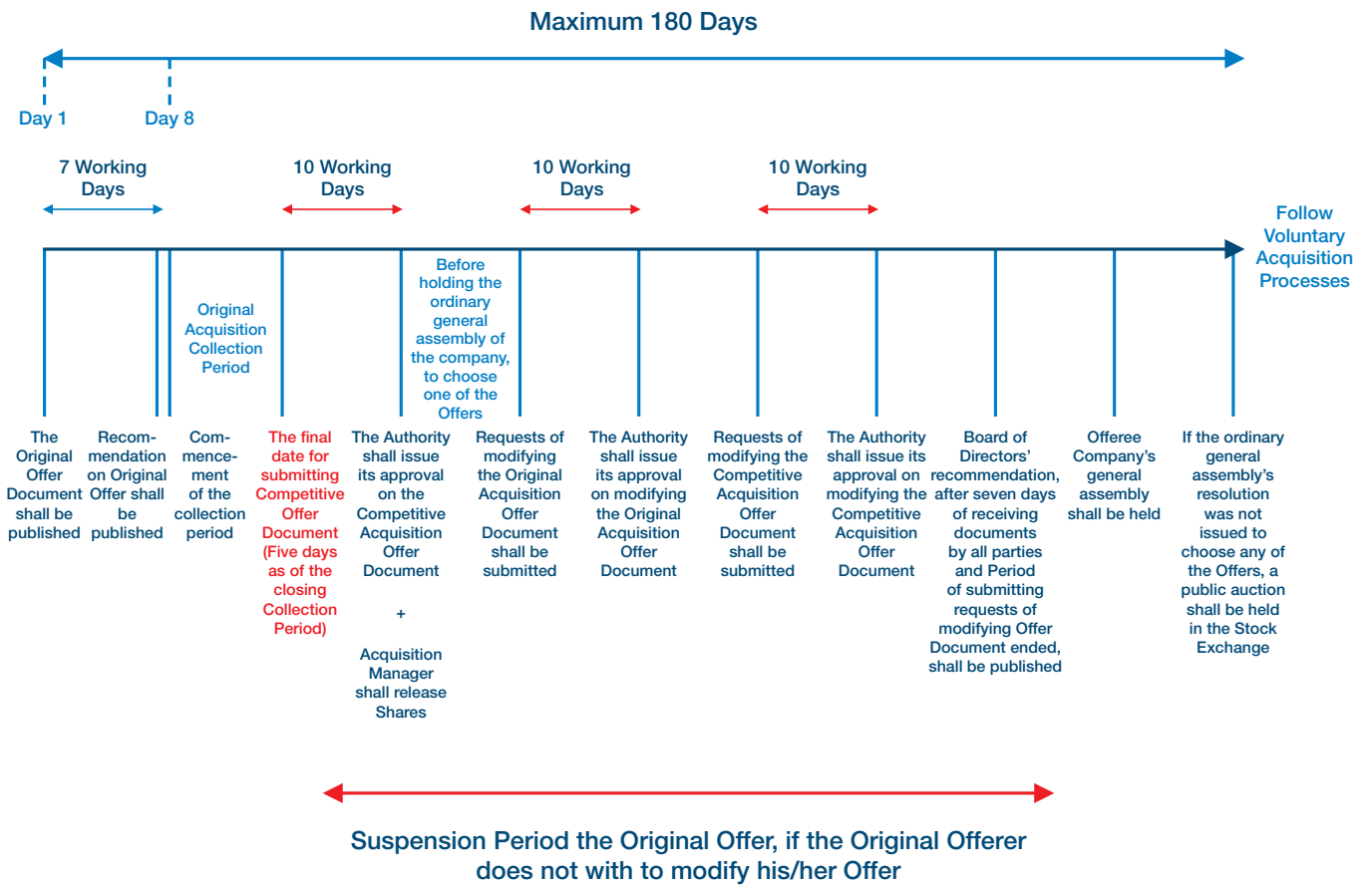
12. The Offeror Company shall call its shareholders to an extraordinary General Assembly after obtaining an approval from the competent Regulatory Authorities, after fifteen days at least as of the date of publishing the Acquisition Offer Document.
13. If the Offeror Company was listed or Licensed, a Prospectus shall be prepared in accordance with the provisions of the Law and these Bylaws.
14. In the event that the Authority's approval on the Prospectus, registration in the Acquisition Manager's Portfolio shall commence, provided that Shares of those wishing to participate in the Non-Cash Voluntary Acquisition be collected and replaced in accordance with mechanism adopted by the Authority as referred to in Article (3-3-9) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions) of these Bylaws.
15. The Acquisition Manager shall collect and replace Shares of those wishing to participate in Non-Cash Voluntary Acquisition within not less than thirty days as of the date of commencement of the Collection Period.
16. The Offeror shall disclose to the Exchange the achieved acquisition percentage within a maximum of one day following the closing of the Collection Period.
17. The Acquisition Manager shall contact the Clearing Agency to investigate the condition of the Offeree Company's Shares and ensure that there are no restrictions that may prevent the shareholders from disposal of such Shares; otherwise, such Shares shall be excluded from participation in Acquisition Offer.
18. The Offeror shall submit to the Authority a register of shareholders wishing to participate in the Acquisition Offer and the achieved percentage, and shall pay the fees prescribed by the Authority.
19. In the event that the Authority's approval on executing the Acquisition Offer, the following procedures shall be taken:
  - All Offeree Company's Shares shall be aggregated in the portfolio managed by the Acquisition Manager.
  - The acquisition shall be executed through (Share Sale Minutes), the Clearing Agency shall settle the process through transferring the title of the offered Shares to the Offeror, whereas new Shares in the Offeror shall be issued in favour of the Offeree Company's shareholders within maximum fifteen Business Days of the date of the Authority's approval on executing the acquisition.
  - Executing Non-Cash Voluntary Acquisition shall be announced with the actual percentage on the website of the Exchange, trading bars and the Authority's web site.

**Appendix 4**  
Procedures of Executing Competitive Acquisition Offer

1. An Offeror of a Competitive Acquisition Offer shall submit a request to the Authority attached with the Competitive Acquisition Offer Document and an acknowledgment to proceed with this Offer, to assure that such Offeror has taken all necessary procedures in order to proceed with Acquisition Offer, and in the event that withdrawal for reasons unaccepted by the Authority, such Offeror shall be responsible for any damages that may occur to any Person as a result of such withdrawal, and the Authority may oblige the Offeror of a Competitive Acquisition Offer to submit any other guarantees to ensure the Offeror's commitment. If the Offeror of a Competitive Acquisition Offer is a Listed Company in the Exchange, such request shall be attached with an advice issued by an independent Investment Advisor, and prepared in accordance with Article (3-1-5) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions) of these Bylaws, and the Offeror of a Competitive Acquisition Offer shall assign an Acquisition Manager.
2. The Competitive Acquisition Offer shall be disclosed in the Exchange, provided that such disclosure includes name of the Offeror and the Offeree Company as well as any material addition or fundamental modification on the conditions of the Original Acquisition Offer.
3. The Offeror shall pay the prescribed fees of Acquisition Offer directly after disclosure.
4. Procedures of the Original Acquisition Offer shall be suspended for ten Business Days through which the Authority shall decide on the Competitive Acquisition Offer.
5. In the event that the Authority's approval on the Competitive Acquisition Offer Document, procedures of the Original Acquisition Offer shall continue to be suspended until the ordinary General Assembly of the Offeree Company issues its resolution of choosing one of the Offers, taking in consideration the periods set out in Article (3-9-10) of this Module, and in this case, the Original Acquisition Offer manager shall release Shares collected prior to suspending the procedures of Acquisition Offer.
6. The Offeror of a Competitive Acquisition Offer or a representative on his behalf shall send a copy of the Offer Document to the Offeree Company, and shall disclose the Authority's approval on the Offer Document in the Exchange and shall announce such approval in accordance with the provisions of Article (3-3-9) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions) of these Bylaws.
7. In the event that the Authority's rejection of the Competitive Acquisition Offer Document, procedures of the Original Acquisition Offer shall resume after excluding the Period of suspension.
8. Upon publishing the Offer Document, documents set out in Article (3-3-11) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions) of these Bylaws shall be available for review as of the date of Offer Document publication and until the closing of Competitive Offer Period in a predetermined announced location.
9. The Board of Directors of the Offeree Company shall refer its opinion and recommendations concerning the Offers to both the Authority and the company's shareholders, provided that such a recommendation be accompanied with the Investment Advisor's opinion, within not more than seven Business Days of the date of publishing the Offer Documents of all concerned parties.
10. The Offeree Company shall call its shareholders to an ordinary General Assembly in order to issue a resolution concerning the Acquisition Offers, of which the Offers shall not be accepted unless the ordinary General Assembly's resolution of approval is issued, taking into consideration the provisions set out in Article (3-9-10) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions) of these Bylaws.

11. The ordinary General Assembly's resolution of the Offeree Company concerning Acquisition Offers shall be disclosed, provided that such disclosure includes the approved Acquisition Offer and percentage of shareholders that voted for approving the Offer.
12. Registration at the Acquisition Manager's Portfolio shall commence, after the ordinary general assembly's resolution of approval is issued in favour of the company, subject to Offer, provided that Shares of those wishing to participate in the Acquisition Offer shall be collected in accordance with mechanism of announcement set out in Article (3-3-9) of this Module.
13. The Acquisition Manager shall collect Shares of those wishing to participate in Acquisition Offer within not less than thirty days as of the date of announcing the commencement of the Collection Period.
14. The Offeror shall disclose to the Exchange the achieved acquisition percentage within a maximum of one day following the closing of the Collection Period.
15. The Acquisition Manager shall contact the Clearing Agency to investigate the condition of the Offeree Company's Shares and ensure that there are no restrictions that may prevent the shareholders from disposal of such Shares; otherwise, such Shares shall be excluded from participation in Acquisition Offer.
16. The Offeror shall submit to the Authority a register of shareholders wishing to participate in the Acquisition Offer with the achieved percentage and shall pay the fees prescribed by the Authority.
17. In the event that the Authority's approval on executing the acquisition, the following procedures shall be taken:
  - The Offeror or a representative on his behalf shall pay the cash equivalent of the acquired Shares to Clearing Agency.
  - All Shares of the Offeree Company shall be aggregated in the portfolio managed by Acquisition Manager.
  - The acquisition shall be executed through (Share Sale Minutes), the Clearing Agency shall settle the process with the Acquisition Manager through transferring Shares equivalent to paying their value and transfer of title, in accordance with the mechanism of trade settlement adopted at the Exchange.
  - The execution of the acquisition shall be announced with the actual percentage at the Exchange, trading bar as well as the Authority's website.

## Timeline for the Competitive Offer Processes





**Appendix 5**  
Procedures of Executing Mandatory Acquisition Offer

1. A Person committed to submit a Mandatory Acquisition Offer shall immediately disclose the obligation thereof to submit Acquisition Offer even if not all the relevant information is available therewith.
2. An Offeror shall submit a Mandatory Acquisition Offer Document to the Authority within maximum ninety days of the date of disclosing the obligation to the provisions of the Mandatory Acquisition Offer.
3. An Offeror Company, if listed in the Exchange, shall obtain an independent advice concerning the Offer from an independent Investment Advisor, such advice shall be prepared in accordance with the provisions of Article (3-1-5) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions), provided that the Investment Advisor's study shall be written in Arabic language and shall inform the shareholders with details that shall include, for example but not limited to, an overview of the sector in which the Offeree Company operates as well as size of the Offeror's control on the aggregate value of the relevant market value following the execution of said acquisition.
4. The Offeror shall submit the Offer Document to the Authority to obtain its approval and shall pay the prescribed fees. The Offer Document may not be published before the Authority's approval is issued.
5. The Authority shall issue its approval of the Offer Document within a maximum of ten Business Days of the date of receiving all documents, data and other information that may be required.
6. In the event that the Authority's approval of Offer, the Offer Document shall be published by the Offeror or a representative on his behalf in accordance with the mechanism referred to in Article (3-3-9) of this Module as well as the schedule endorsed by the Authority, the Offeror shall disclose the Authority's approval of the Offer Document in the Exchange and shall announce the same on the website of the Offeror and the Offeree Company and two daily newspapers at least.
7. Documents set out in Article (3-3-11) of Chapter Three (Acquisition), Module Nine (Mergers and Acquisitions) of these Bylaws shall be available for review as of the date of Offer Document publication and until the closing of Offer Period in a predetermined announced location.
8. The Board of Directors of the Offeree Company, shall refer its opinion and recommendations concerning the Offer submitted to both the Authority and the company's shareholders, provided that such a recommendation shall be attached with the opinion of Investment Advisor concerning acquisition, within not more than seven Business Days of the date of receiving the Offer Document.
9. Registration at the Acquisition Manager's Portfolio shall commence as of the eighth day after date of publishing the Offer Document, provided that Shares of those wishing to participate in Acquisition shall be collected in accordance with mechanism of announcement set out in Article (3-3-9) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions) of these Bylaws.
10. The Acquisition Manager shall collect Shares of those wishing to participate in Mandatory Acquisition Offer within not less than thirty days of the date of announcing the commencement of the Collection Period.
11. The Offeror shall disclose to the Exchange the achieved acquisition percentage within a maximum of one day following the closing of the Collection Period.
12. The Acquisition Manager shall contact the Clearing Agency to investigate the condition of the Offeree Company's Shares and make sure that there are no restrictions that may prevent the shareholders from disposal of such Shares; otherwise, such Shares shall be excluded from participation in acquisition.

13. The Offeror shall submit to the Authority a register of shareholders wishing to participate in acquisition and the achieved percentage, and the Offeror shall pay fees prescribed by the Authority.
14. In the event that the Authority's approval on executing the acquisition, the following procedures shall be taken:
  - The Offeror or a representative on his behalf shall pay the cash equivalent of the acquired Shares to Clearing Agency.
  - All Shares of the Offeree Company shall be collected in the portfolio managed by the Acquisition Manager.
  - The acquisition shall be executed through (Share Sale Minutes), the Clearing Agency shall settle the process with Acquisition Manager through transferring Shares in equivalence to paying their value and transfer of title, in accordance with the mechanism of trade settlement adopted at the Exchange.
  - Execution of the acquisition shall be announced with the actual percentage at the Exchange, trading bar and announced on the Authority's website.

**Appendix 6**

**Form of “Sales or Purchases Permitted for the Controllers of a Listed Company’s Shares”**

**NOTE:**

All forms referenced in the “translation” of the Bylaws are for reference purposes only. Forms to be submitted to the Authority are to be in Arabic language only.

- Taking into consideration the provisions of Article (3-6-2) of this Module, the Controlling Person shall be entitled to increase or decrease the ownership thereof with a percentage of sale or purchase semi-annually, as follows:
  1.  $\pm 2\%$  for ownerships over 30 % to 50 %.
  2.  $\pm 5\%$  for ownerships over 50 % to 100 %.
- The form shall be filled in the following cases:
  1. Disclosure of the percentage increase or decrease of the Controlling Person’s ownership, in accordance with the permitted percentages, semi-annually.
  2. Disclosure of the Controlling Person’s desire to decrease his ownership to less than 30 % of the current Shares of the company subject to control, that is before the interest has been achieved.

The undersigned shall be fully responsible for accuracy of information in this form.

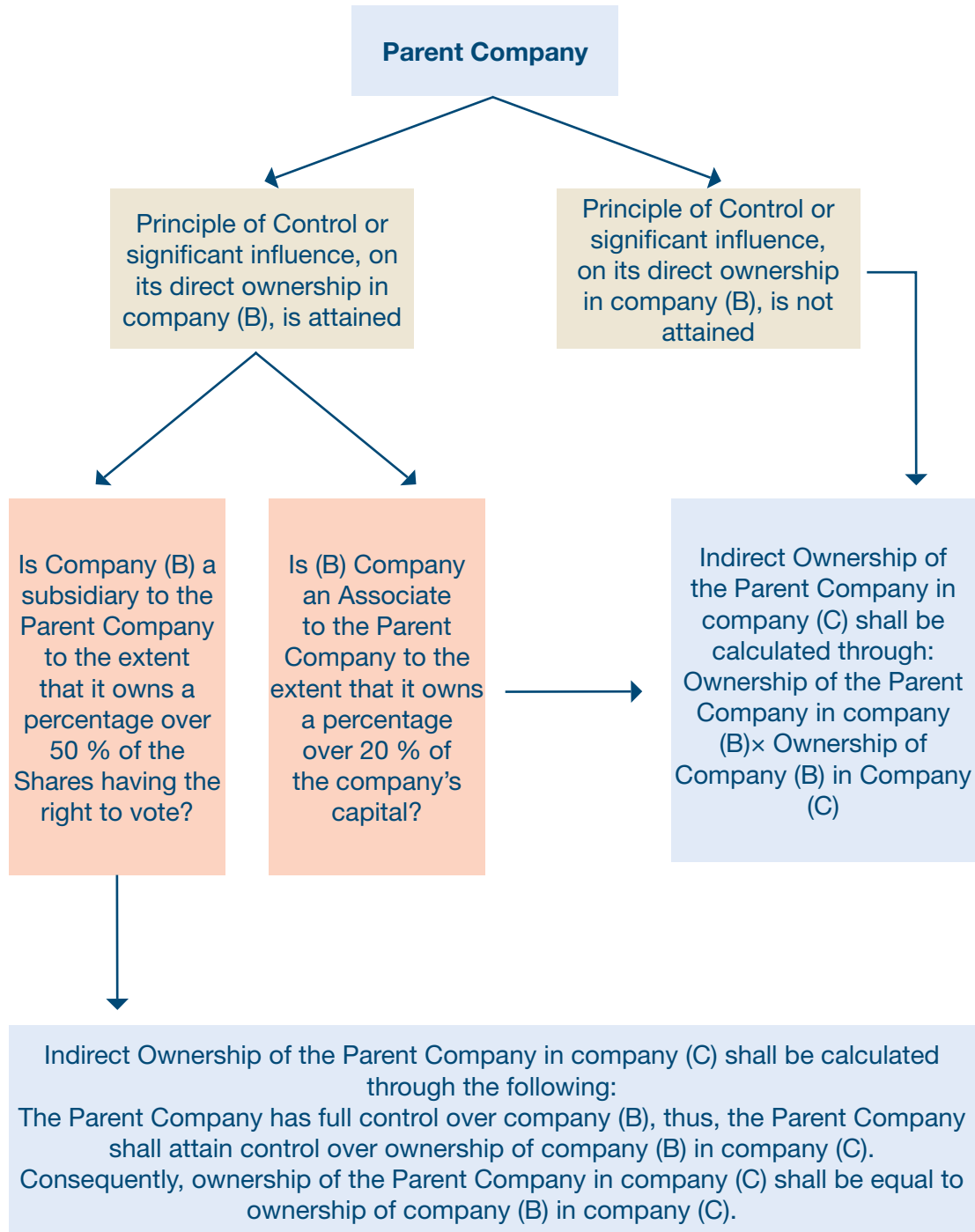
Applicant Data		
The Controlling Person		
Commercial Register/ Civil Number		
Name of the Listed Company		
Total Ownership Percentage (Direct and Indirect)		
Trading Data		
Trading Type (Sale/ Purchase)		
Quantity	Percentage %	
Permitted Range of Trading	From:	To:
Period of Trading	From:	To:

- The provisions of Mandatory Acquisition Offer shall apply in the event that exceeding permitted percentage of purchase.

Contact Details			
The Signatory			
Request Date			
Direct Phone		Fax	
E-mail			
Postal Address			
Signature			

**Appendix 7**  
Mechanism of Calculating Indirect Ownership

**Firstly: Mechanism of Calculating Indirect Ownership of Natural or Corporate Person**



## **Secondly: Mechanism of Calculating Indirect Ownership of Investment Portfolios**

Indirect ownership calculation shall be determined by the Investment Portfolios Manager in cooperation with the Clients of such portfolios if the Investment Portfolios Manager used voting rights of the Shares existing in such portfolios.

At any case, responsibility for disclosing indirect ownership of the Client(s) in Investment Portfolios to the Authority shall be determined in accordance with the contract drafted between the Licensed Persons and the Clients(s) as well as investment policy of the portfolio that dictates the party responsible for disclosure of indirect ownership.

Thus, a report of disclosure shall be submitted to the Authority concerning any changes that occur in relation to indirect ownerships in accordance with the standards prescribed by the Authority in Module Ten (Disclosure and Transparency) of these Bylaws.

## **Thirdly: Mechanism of Calculating Indirect Ownership of Funds**

### **Scope of Application**

Indirect ownership calculation shall be determined on the ownership of the Funds Manager of listed companies in which the Fund is investing, taking into consideration that Fund is regarded as a corporate entity with an independent financial account, and that Fund Manager is the Person concerned with managing the Fund's Assets in a way achieving its investment goals. Fund Managers wishing to obtain an exempt position shall submit to the Capital Market Authority evidence asserting that the Fund Manager is not associated with the Group, as the Group has adopted Chinese Wall methods.

### **Chinese Wall between Fund and Fund Manager**

The Group shall adopt Chinese Wall methods between the Fund, Fund Manager and Group associated with the Fund, of which the Fund's Executive Committee shall clarify to the exemption applicant that their activity, that will be practiced, is separated from the rest of activities performed by the Fund Manager. This shall be applied to the activities practiced at any of the Subsidiary companies or persons with whom they are Acting in Concert. The Authority will practice its role of surveillance and auditing works periodically and without pre-notifications on the exempted entities thus ensuring that their scope of obligation to the conditions of exemption have been met, as well as making sure that the Chinese Wall methods have been applied between Fund, Fund Manager and Group and that the Fund is committed to all involved conditions.

### **Requirements for Applying the Chinese Wall Methods**

The enclosed table shall clarify requirements of applying the Chinese Wall methods between the Fund, Fund Manager and the Group so that exemption position shall be achieved from the calculation of indirect ownerships of the Fund as follows:



## Requirements for Applying the Chinese Wall between Fund and Fund Manager

1. Structure of the Group to which the Fund belongs.
2. The historical perspective of the Fund and the Group (Historical Perspective – Establishment and Development of the Fund subject to submission and the Group/ Fund Manager).
3. Fund's Goal, the Fund's Executive Committee, its structure, responsibilities and internal Regulations.
4. Details of Fund's Ownership (applies to existing Funds).
5. Details and percentages of common investments between Fund Manager, the Group and the Fund.
6. The geographical location of Fund Management.
7. Responsibilities of the Fund's Executive Committee in the Fund Manager along with clarification as to whether they are commissioned to manage other accounts in the Fund Manager or other Collective Investment Schemes.
8. The Fund's investment policy and the investment policy adopted by the Fund managing company.
9. Details of the Chinese Wall measures between the Fund's Executive Committee and the Fund Manager, as well as internal systems and procedures adopted in this regard.
10. Details of any common services between the Fund's Executive Committee and the Fund Manager (For example: Offices, Library, dealing with the same Research Administration Department... etc.)
11. Information Flow between the Fund Manager and the Fund's Executive Committee with regard to any work related to the Fund's management (Profits, Number of Shareholders, Marketing, etc.).
12. Any financial incentives that may affect resolutions taken by the Fund's Executive Committee and has a relation to management of the Fund Manager or the Group to which the Fund belongs.
13. Declarations and acknowledgments of the Fund Manager and the Fund's Executive Committee's fiduciary duty in accordance with the provisions of the Law and these Bylaws, in general, as well as Merger and Acquisition rules, in particular.
14. Historical details of any Allied activity, process or cooperative activity between the management of the Fund Manager and the Fund (if any).
15. Details of any previous case in which the Fund was obliged to purchase in the Group to which it belongs, in order to avoid losses or to promote Shares.
16. Percentage and details of the Fund Manager or the Group to which it belongs in the Fund subject of submission (for existing fund).
17. A copy of the Fund's Articles of Association.
18. Any other requirements.

### **Scope of Chinese Wall between the Fund and the Fund Manager**

Both existing Fund and Funds under incorporation shall be entitled to submit a request to obtain an exemption position from the calculation of indirect ownership of the Fund Manager, provided that they shall submit evidence asserting that the Fund's Executive Committee applies the Chinese Wall methods through submitting the above mentioned requirements.

#### **With regard to the following:**

##### **1. Funds under incorporation**

A request to obtain an exemption position shall be submitted within the same period of the licensing request to the concerned Fund, and it shall be submitted within the required documents for the Fund's incorporation.

##### **2. Existing Funds**

The Licensed Persons shall submit a request to obtain a position of exemption from the calculation of indirect ownerships, provided that the necessary procedures of Chinese Wall between the Fund's Activities, Fund Manager Activities and the Group have been undertaken.

### **Fourthly: Mechanism of Calculating Indirect Ownership of Contractual Collective Investment Schemes**

#### **Scope of Application**

Indirect ownership calculation shall be determined on the ownership of the Contractual Collective Investment Scheme Manager of listed companies in which the Contractual Collective Investment Scheme is investing through the Special Purpose Vehicle Company, taking into consideration that it is regarded as a corporate entity with an independent financial account, and that Contractual Collective Investment Scheme Manager is the Person concerned with managing the Scheme's Assets in a way that achieves its investment goals. Contractual Collective Investment Scheme Managers wishing to obtain an exempt position shall submit to the Capital Markets Authority evidence asserting that the Contractual Collective Investment Scheme Manager is not associated with the Group, as the Group has adopted Chinese Wall methods.

#### **Chinese Wall between Contractual Collective Investment Scheme and its Manager**

The Group shall adopt Chinese Wall method between the Contractual Collective Investment Scheme, its Manager and the Group associated with the Scheme, of which the Scheme's Executive Team shall clarify to the exemption applicant that the activity it seeks to practice is separated from the rest of the activities performed by the Contractual Collective Investment Scheme Manager. This shall be applied to the activities practiced at any of the Subsidiary companies or persons with whom they are Acting in Concert. The Authority will practice its role of surveillance and auditing works periodically and without pre-notifying the exempted entities, thus ensuring that their scope of obligation to the conditions of exemption have been met, as well as making sure that the Chinese Wall methods have been applied between the Contractual Collective Investment Scheme, the Scheme Manager and the Group, and that the Scheme is committed to applying the Chinese Wall method.

## Requirements for Applying the Chinese Wall Method

The enclosed table shall clarify requirements of applying the Chinese Wall method between the Contractual Collective Investment Scheme, its Manager and the Group so that the exemption position shall be achieved from the calculation of indirect ownerships of the Contractual Collective Investment Scheme as follows:

### Requirements for Applying the Chinese Wall between Contractual Collective Investment Scheme and its Manager

1. Structure of the Group to which the Contractual Collective Investment Scheme belongs to.
2. The historical perspective of the Contractual Collective Investment Scheme and the Group (Historical Perspective – Establishment and Development of the Scheme subject to submission and the Group/ Contractual Collective Investment Scheme Manager).
3. Contractual Collective Investment Scheme's Goal, the Scheme's Executive Team, its structure, responsibilities and internal regulations.
4. Details of Contractual Collective Investment Scheme's Ownership (applies to existing Schemes).
5. Details and percentages of common investments between Contractual Collective Investment Scheme Manager, the Group and the Scheme.
6. The geographical location of Contractual Collective Investment Scheme Management.
7. Responsibilities of the Contractual Collective Investment Scheme's Executive Team in the Scheme Manager along with clarification as to whether they are commissioned to manage other accounts in the Scheme Manager or other Collective Investment Schemes.
8. The Contractual Collective Investment Scheme's investment policy and the investment policy adopted by the Scheme managing company.
9. Details of the Chinese Wall measures between the Contractual Collective Investment Scheme's Executive Team and the Scheme Manager, as well as internal systems and procedures adopted in this regard.
10. Details of any common services between the Contractual Collective Investment Scheme's Executive Team and the Scheme Manager (For example: Offices, Library, dealing with the same Research Administration Department... etc.)
11. Information Flow between the Contractual Collective Investment Scheme Manager and the Scheme's Executive Team with regard to any work related to the Scheme's management (Profits, Number of Shareholders, Marketing, etc.).
12. Any financial incentives that may affect resolutions taken by the Contractual Collective Investment Scheme's Executive Team and has a relation to management of the Scheme Manager or the Group to which the Scheme belongs.
13. Declarations and acknowledgments of the Contractual Collective Investment Scheme Manager and the Scheme's Executive Team's fiduciary duty in accordance with the provisions of the Law and these Bylaws, in general, as well as Merger and Acquisition rules, in particular.
14. Historical details of any Allied activity, process or cooperative activity between the management of the Contractual Collective Investment Scheme Manager and the Scheme (if any).

15. Details of any previous case in which the Contractual Collective Investment Scheme was obliged to purchase in the Group to which it belongs, in order to avoid losses or to promote Shares.
16. Percentage and details of the Contractual Collective Investment Scheme Manager or the Group to which it belongs in the scheme subject of submission (for existing schemes).
17. A copy of the Contractual Collective Investment Scheme's Contract.
18. Any other requirements.

### **Scope of Chinese Wall between the Contractual Collective Investment Scheme and its Manager**

Both existing Contractual Collective Investment Scheme and Schemes under incorporation shall be entitled to submit a request to obtain an exemption position from the calculation of indirect ownership of the Contractual Collective Investment Scheme Manager, provided that they shall submit evidence asserting that the Scheme's Executive Team applies the Chinese Wall method through submitting the above mentioned requirements.

#### **With regard to the following:**

##### **1. Contractual Collective Investment Scheme under incorporation**

A request to obtain an exemption position shall be submitted within the same period of the license request to the concerned Scheme, and it shall be submitted within the required documents for the Scheme's incorporation.

##### **2. Existing Contractual Collective Investment Schemes**

The Licensed Persons shall submit a request to obtain a position of exemption from the calculation of indirect ownerships, provided that the necessary procedures of Chinese Wall between the Contractual Collective Investment Scheme's activities, its manager activities and the Group have been undertaken.

**Appendix 8**  
Procedures of Executing Reverse Acquisition Processes

1. The Listed Company shall notify the Authority of any Initial Agreement regarding any arrangement concerning the issuance of new Shares of its capital and offering them to shareholders of unlisted company in return of their Shares. The new Shares shall represent more than 50% of the issued Shares in the Listed Company after executing the Reverse Acquisition process, before it is disclosed in the Exchange.
2. The Listed Company shall disclose in the Exchange the Board of Directors approval on the Reverse Acquisition process.
3. The Listed Company shall obtain an independent advice concerning the Offer from an Investment Advisor, who shall not be a stakeholder and shall be licensed by the Authority, such advice shall be prepared pursuant to the provisions of Article (3-1-5) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions) of the Executive Bylaws of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Amendments.

The study of the Investment Advisor shall be written in Arabic language and shareholders shall be informed of the details of such advice. The advice shall include an asset valuation report of the companies involved in the Reverse Acquisition process issued by a Licensed Person by the Authority to practice the activity of Valuation of Assets who shall be independent and not a Stakeholder.

4. The Listed Company shall submit the below-mentioned documents to the Authority within a maximum of forty-five days commencing from the date of disclosing the Board of Directors approval on the Reverse Acquisition process in order to obtain the Authority's approval to commence the procedures of executing the Reverse Acquisition process, which are as follows:
  - Business plan to be followed in executing the Reverse Acquisition process.
  - Advice issued by the Investment Advisor along with the Valuation of Assets report for companies involved in the Reverse Acquisition process.
  - The Listed Company's Board of Directors' decision on approving the Reverse Acquisition process.
  - Contract of the Listed Company and the Offeree company, and any other similar documents.
  - The Board of Directors' plan for offering alternatives for shareholders exit before executing the Reverse Acquisition process.
  - Declaration and undertaking of the Listed Company's compliance with the plan of offering alternatives for shareholders exit.
  - Any other information required by the Authority.
5. The Authority issues its decision on approving the commencement of the procedures of executing the Reverse Acquisition process within a maximum of ten Business Days commencing from the date of completing the documents, data and information necessary for deciding on the request mentioned above.
6. If the Authority approves the commencement of the procedures of executing the Reverse Acquisition, the Listed Company shall disclose the Authority's decision in the Exchange, and the Listed Company shall make all the documents specified in step (4) of these procedures available for its shareholders starting from the date of being notified with the Authority's decision of approving the commencement of the procedures of executing the Reverse Acquisition process until completing the execution of the process at a specified time announced in advance.

7. The Board of Directors shall raise their opinion and recommendations concerning the Offer to both the Authority and the company's shareholders within not more than seven Business Days commencing from date of Authority's notification to the Listed Company of approving the commencement of the procedures of executing the Reverse Acquisition process. The Listed Company's Board of Directors recommendation regarding the Reverse Acquisition shall be published in the Exchange and the website of the Listed Company.
8. The Listed Company shall submit a request of approval from the competent Regulatory Authorities on holding an extraordinary General Assembly that shall include the Board of Directors' recommendation to increase the company's capital and to allocate such increase to shareholders of the unlisted company, wishing to participate in the Reverse Acquisition process.
9. The Listed Company shall invite its shareholders to an extraordinary General Assembly after obtaining the approval of the competent Regulatory Authorities, after at least fifteen Business Days from the date of issuance of the Authority's approval to commence the procedures of executing the Reverse Acquisition process.
10. The Listed Company shall prepare a Prospectus pursuant to the provisions of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities, and its Executive Bylaws and their amendments, and submit them to the Authority for ratification.
11. In case the Authority approves the Prospectus, the Listed Company shall publish the main conditions of the Prospectus in the Exchange's website and at least two daily newspapers, and shall publish the Prospectus and the subscription form in the Listed Company's website.
12. The Listed Company shall disclose to the Exchange and Authority the results of the subscription process, and whether the conditions stipulated in Article (3-10-1) of Chapter Three (Acquisition) of the Executive Bylaws of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities, and its Executive Bylaws and their amendments are achieved or not, no later than the Business Day following the specified date for concluding the subscription period.
13. In case the Reverse Acquisition conditions stipulated in Article (3-10-1) above is achieved, the Listed Company shall commence the procedures of shareholders exit as per the "Board of Directors plan for submitting alternatives for shareholders exit" within a period not exceeding 30 days from disclosing the conclusion of the subscription period.
14. After completing the procedures of shareholders exit, the Listed Company shall send to the Authority the below-mentioned documents in order to obtain its approval on completing the Reverse Acquisition:
  - Documents showing the implementation of the "Board of Directors plan for submitting alternatives for shareholders exit".
  - Record of the Listed Company's shareholders issued by the Clearing Agency.
  - Record of the unlisted company's shareholders, who are participating in the subscription process.
  - Any other information required by the Authority.

15. In case the Authority approves completing the Reverse Acquisition process, the increase Shares in the Listed Company's capital shall be allocated to subscribers of the unlisted company shareholders. The Clearing Agency shall settle the process through transferring the ownership of the unlisted company Shares to the Listed Company, in return of issuance of new Shares in the Listed Company for unsubscribed shareholders of the unlisted company, within a maximum of five Business Days from the date of the Authority's approval on concluding the Reverse Acquisition process.
16. In case the conditions of the Reverse Acquisition are achieved, and the existence of Shares unsubscribed by the unlisted company shareholders, the Listed Company shall take the necessary measures to reduce its capital in the value of such Shares, after obtaining the approval of the concerned Regulatory Authorities.
17. The Listed Company shall announce completing the execution of the Reverse Acquisition process with the actual percentage in the Exchange's website, the trading bars as well as the Authority's website.
18. The Board of Commissioners shall issue a resolution canceling the listing of the Listed Company's Shares pursuant to the provisions of Article (3-10-3) of Chapter Three (Acquisition) of Module Nine (Mergers and Acquisitions) of the Executive Bylaws of Law No.7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments.



**Appendix 9**  
Procedures of Executing a Partial Purchase Offer

1. An Offeror of Partial Purchase shall notify the Authority of any Initial Agreement concerning a Partial Purchase Offer of a Listed Company, before disclosure in the Exchange, and such a notification shall be attached with an undertaking to pursue this offer, to assure that they have taken all necessary procedures in order to proceed with the purchase process, and in the event that withdrawal for reasons unaccepted by the Authority, the Offeror shall be responsible for any damages that may occur to any person as a result of such withdrawal; and the Authority may oblige the Offeror to submit any additional guarantees to ensure the Offeror's commitment.
2. Disclosure of the Initial Agreement concerning the Partial Purchase Offer shall include name of the Offeror and the Offeree the Partial Purchase and number of shares to be obtained from the capital of the Offeree of Partial Purchase, provided that such disclosure shall not include information that shall be included in the Partial Purchase Offer Document such as price, schedule, Partial Purchase Offer Manager, sources of finance or other information that is listed in the Partial Purchase Offer Document.
3. An Offeror shall submit a Partial Purchase Offer Document to the Authority within 90 Days at most commencing from date of disclosure of the Initial Agreement. The Offeror may request extension of such period.
4. An Offeror of Partial Purchase, if listed in the Exchange, shall obtain independent advice concerning the Offer from an independent Investment Advisor, such advice shall be prepared in accordance with the provisions of Article (4-1-8) of Chapter Four (Partial Purchase Offer) of Module Nine (Mergers and Acquisitions), provided that the study of the Advisor shall be written in Arabic and it shall inform the shareholders with the details of such advice that shall include, for example but not limited to, an overview of the sector in which the Offeree of Partial Purchase works as well as size of the Offeror of Partial Purchase control on total percentage of relevant market value after executing the purchase process.
5. An Offeror of a Partial Purchase Offer shall assign a Partial Purchase Offer Manager; provided that such Person is licensed to practice the activity of Investment Portfolio Manager.
6. The Offeror shall pay prescribed fees of a Partial Purchase Offer.
7. The Authority shall issue its approval of the Partial Purchase Offer Document within ten Business Days at most commencing from date of receiving all documents, data and other information that may be required.
8. In the event that the Authority approves the Partial Purchase Offer, the Partial Purchase Offer Document shall be published by the Offeror or a representative on his behalf in accordance with mechanism of announcement referred to in Article (4-3-8) of this Module as well as the schedule endorsed by the Authority; the Offeror of the Partial Purchase shall disclose the Authority's approval of Partial Purchase Offer Document in the Exchange as well as announce it on the website of the Offeror and the Offeree of Partial Purchase and two daily newspapers at least.

9. Upon publishing the Partial Purchase Offer Document, documents defined in Article (4-3-11) of Chapter Four (Partial Purchase Offer) of Module Nine (Mergers and Acquisitions) of these Bylaws shall be available for review commencing from the date of the Partial Purchase Offer Document publication until the end of Partial Purchase Offer Period in a predetermined announced location.
10. The Board of Directors of the Offeree of Partial Purchase shall refer their opinion and recommendations concerning the offer to both the Authority and the company's shareholders; provided that such a recommendation be accompanied with the Investment Advisor's opinion on the Partial Purchase Offer within not more than seven Business Days commencing from date of receiving Partial Purchase Offer Document.
11. The Offeror of Partial Purchase shall call its shareholders to an extraordinary general assembly to decide on the Partial Purchase Offer, after at least fifteen days as of the date of publishing the Partial Purchase Offer Document.
12. The ordinary general assembly of an Offeree of Partial Purchase shall issue its decision to approve the Partial Purchase Offer by a vote not less than 70% of the shareholders present.
13. Registration at the Partial Purchase Offer Manager's Portfolio shall commence on the eighth day from the ordinary general assembly's approval for the Offeree of Partial Purchase, provided that Shares of those intending to participate in the Partial Purchase Offer shall be collected in accordance with announcement mechanism referred to in Article (4-3-8) of Chapter Four (Partial Purchase Offer) of Module Nine (Mergers and Acquisitions) of these Bylaws.
14. The Partial Purchase Offer Manager shall collect the Shares of shareholders intending to participate in the Partial Purchase Offer, within not more than thirty days from the date of announcing the Collection Period.
15. The Offeror of Partial Purchase shall disclose in the Exchange the percentage achieved for the Partial Purchase Offer not later than the day following the end date of the Collection Period.
16. The Clearing Agency shall ensure that there are no restrictions preventing the shareholder from disposing of such shares, and in case of any restrictions that prevent the disposition, such shares shall be excluded from participating in the Partial Purchase Offer.
17. In case the shares of the participating shareholders exceed the percentage to be purchased, the Clearing Agency shall distribute the shares of shareholders of the Offeree of Partial Purchase participating in the Partial Purchase Offer process Pro Rata.
18. The Offeror shall submit to the Authority a register of shareholders wishing to participate in Partial Purchase Offer and the achieved percentage, and the distribution mechanism of the shares of shareholders of the Offeree of Partial Purchase participating in the process of Partial Purchase Offer that is issued by the Clearing Agency Pro Rata, and paying the fees determined by the Authority.

19. If the Authority approves executing the Partial Purchase Offer, the following procedures shall be taken:

- The Offeror of Partial Purchase or a representative on their behalf shall pay the cash equivalent of the acquired Shares to the Clearing Agency.
- All Shares of the Offeree of Partial Purchase shall be collected in the clients portfolio by the Partial Purchase Offer Manager.
- The transaction shall be executed through (Share Sale Minutes); the Clearing Agency shall settle the transaction through transferring Shares in return for paying their value and transferring ownership, in accordance with mechanism of settling trades adopted at the Exchange.
- Execution of Partial Purchase Offer shall be announced with the actual percentage in the Exchange, stock ticker and on the Authority's website.

**Appendix 10**

**Additional Conditions of Joint Acquisition Offer among Parties Acting in Concert**

### First: Joint Acquisition Offer Document among parties Acting in Concert:

The Joint Acquisition Offer Document shall include, in particular, the following information:

1. Adequate information about the parties Acting in Concert, purpose and term thereof, and the party responsible for the use of the voting rights arising from the ownership of the shares of the parties Acting in concert.
2. Adequate information about the Offeree company.
3. Details of the Offeree company's shares and any related rights or obligations.
4. Total amount of the submitted offer.
5. Distribution mechanism of shares among parties Acting in Concert of the Offeree company capital after execution of the Joint Acquisition Offer.
6. Full description of the financing of the offer and the sources of financing, as well as stating the names of the main lenders or those who make the necessary arrangements for financing.
7. Details of the required documents and the procedures necessary to be followed for offer acceptance.
8. A statement of any conditions or restrictions to which the offer is subject, and any related procedures.
9. The Timeline for the Joint Acquisition Offer among parties Acting in Concert.
10. Details of any Control shares of the parties Acting in Concert in the Offeree company.
11. Details of any shares of the parties Acting in Concert in the Offeree company which the members of the Board of Directors of a party Acting in Concert has an interest therein, or ownership of or control by a Subsidiary of a party Acting in Concert or a person with whom they are Acting in Concert, along with their names, or owned or Controlled by persons who are committed to accept the offer irrevocably before publishing the Offer Document, along with their names.
12. Statement stating whether there is an agreement, arrangement or procedure between the parties Acting in Concert or any Subsidiary or person with whom they are Acting in Concert, and any of the Members of a Board of Directors of the Offeree company or its shareholders as well as details of such agreements or procedures.
13. Statement clarifying whether the Shares that are meant to be acquired under the offer shall be transferred to any other Persons or not along with the names of the parties in any related agreement, procedure or memorandum of understanding, if any, as well as the details of any Securities owned by those persons in the Offeree company.
14. If an offer includes issuing unlisted Securities as payment of the offer value, then the Offer Document shall include a valuation of such Securities by an Investment Advisor licensed by the Authority.

15. If an offer includes issuing Securities for an unlisted company, the Offer Document shall include adequate financial information of the unlisted company including financial statements audited by Auditors registered with the Authority for the three financial years preceding the Offer.
16. Any other information required by the Authority.

### **Second: Documents Available for Review**

Parties Acting in Concert and the Offeree company shall make the following documents available for review:

1. Offer Document and its attachments.
2. The recommendation of the Board of Directors of the Offeree company concerning the Offer.
3. Acting in Concert agreement.
4. The Company Contracts of the Offeror company (if it one of the parties Acting in Concert) and any other similar documents, in addition to the audited financial statements for the three years preceding the Offer, if any.
5. The Company Contracts of the Offeree company and any other similar documents, and the audited financial statements for the three years preceding the Offer, if any.
6. Any report, letter, evaluation or other document that was presented or referred to in the Offer Document.
7. Any document that serves as evidence for an irrevocable commitment to accept the Offer.
8. Documentation of the financial arrangements regarding financing the offer if such arrangements were set out in the Offer Document.
9. Any other documents required by the Authority.

The Offer Document shall clarify the place in which such documents shall be available for review.