

Guide to Obligations of Substantial Shareholders in Respect of Ownership of Shares and Convertible Debt Instruments







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Introduction

This Guide aims to enhance the level of disclosure and help substantial shareholders fulfill the Capital Market Authority (the authority)'s requirements with respect to the disclosure of their transactions in securities of listed companies. The Guide explains cases where disclosure is required, as well as criteria and requirements to be followed to fulfill these obligations and the time required to fulfill such obligations in accordance with the Capital Market Law and its Implementing Regulations.

This Guide is not a substitute for the provisions of the Capital Market Law and its Implementing Regulations. In case of any conflict between the Guide and the provisions of the Capital Market Law or its Implementing Regulations, such provisions shall prevail. Since the Authority's regulations are subject to continuous amendments, substantial shareholders shall be responsible for following any amendments to such regulations issued by the Authority. To stay updated, reliance shall always be on the Regulations published on the Authority's website.

Obligations of Substantial Shareholders in Respect of Ownership of Shares and Convertible Debt Instruments:

1- Notification if a person becomes the owner of, or has an interest in, 5% or more of any class of voting shares or convertible debt instruments of the Company.

2- Notification in the event of any change to the list of persons, in which those persons have an interest in the shares or convertible debt instruments.

(1) Notification if a person becomes the owner of, or has an interest in, 5% or more of any class of voting shares or convertible debt instruments of the company:

Any person must notify the Exchange if such person becomes the owner of, or has an interest in, 5% or more of any class of voting shares or convertible debt instruments of the issuer within a period not exceeding the end of the third trading day following the execution of the transaction or the occurrence of the event, which resulted in such ownership or interest. The person's notification to the Authority shall also include a list of persons, in which those persons have an interest in the shares, or convertible debt instruments, which they own or control.



(2) Notification in the event of any change to the list of persons, in which those persons have an interest in the shares, or convertible debt instruments:

Any person becomes the owner of, or has an interest in, 5% or more of any class of voting shares or convertible debt instruments of the issuer must notify the Exchange in the event of any change to the list of persons, in which those persons have an interest in the shares, or convertible debt instruments in which they own or control, including any event which requires the inclusion of a person to that list or the exclusion of any person who has been previously included in that list. Such notification must be made within a period not exceeding the end of the third trading day following the occurrence of the relevant event.

The person deemed to be interested in any shares or convertible debt instruments owned or controlled by any of the following persons:

- 1- Husband, wife and minor children.
- 2- A company controlled by that person. Controlling means the ability to influence the actions or decisions of another person directly, indirectly, individually or collectively with a relative or an affiliate through:
 - Owning 30% or more of the voting rights in a company.
 - Having the right to appoint 30% or more of the members of the governing body.
- 3- Any other persons with which that person has agreed to act in concert to acquire an interest in or exercise the voting rights in the shares or in the convertible debt instruments of the company.

The following standards and requirements can be used as a guide:

Required Notifications	Time	Criteria and Requirements
<p>1- Notification if a person becomes the owner of, or has an interest in, 5% or more of any class of voting shares or convertible debt instruments of the Company.</p> <p>2- Notification in the event of any change to the list of persons, in which those persons have an interest in the shares, or convertible debt instruments.</p>	<p>The notification must be made within a period not exceeding the end of the third trading day following the execution of the transaction or the occurrence of the event, which resulted in such ownership or interest.</p>	<p>1- Notifications must contain at least the following information:</p> <ul style="list-style-type: none"> • Names of the persons who own or have the right to dispose of the subject shares or convertible debt instruments • Details of the ownership process. • Details of any loans or financial support for the ownership process that the person has received from any other person <p>2- Such notifications shall be submitted electronically through the automated system determined for this purpose or any other mean specified by the Exchange.</p>

