

Resolution No. (108) of 2025
Regarding
The Launch of the Regulatory Environment for the Emerging Companies Market in
the Exchange

Having Perused:

- 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
- CMA Board of Commissioners Resolution passed in its meeting No. (15) of 2025 held on 28/05/2025.

The Following Was Resolved
Article (1)

Module Ten (Disclosure and Transparency), Module Eleven (Dealing in Securities), and Module Twelve (Listing Rules) 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 are hereby amended pursuant to Annex 1 attached to this Resolution.

Article (2)

Appendix 22 (Client Acknowledgment Statement on the Nature of Investment in the Emerging Companies Market) is hereby added to Module Eleven (Dealing in Securities) of the Executive Bylaws of the Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments pursuant to Annex 2 attached to this Resolution.

Article (3)

Appendix 4 (Schedule of the CMA Services Fees) of Module Two (Capital Markets Authority) of the Executive Bylaws of the Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby Amended pursuant to Annex 3 attached to this Resolution.

Article (4)

The concerned bodies shall execute this Resolution, each within its jurisdiction. This Resolution shall come into force from the date of its issuance, and it shall be published in the Official Gazette.

Emad Ahmed Tifouni

Issued on: 29/06/2025

Annex 1

#	Module	Article	Amendment Type	Text before Amendment	Text after Amendment
1	Ten	3-4-1	Amending Article	<ol style="list-style-type: none"> 1. Each <u>Insider</u> in the <u>Listed Company</u> is prohibited from dealing in <u>Securities Issued</u> by the company during the periods set out below: <ol style="list-style-type: none"> a. Ten <u>Business Days</u> before the end of each quarter of the financial year until the announcement of the financial results for that period. b. Ten <u>Business Days</u> before the end of the financial year until announcement of the financial results for that period. 2. An <u>Insider</u> in the <u>Listed Company</u> may deal in the <u>Securities Issued</u> by the <u>Listed Company</u> during the restriction periods set out in paragraph (1) of this Article after first obtaining approval from the <u>Authority</u>. 3. An <u>Insider</u> in the <u>Listed Company</u> may deal in the <u>Securities</u> issued by that <u>Listed Company</u> during restriction periods in the following cases: <ol style="list-style-type: none"> a. Transfer of ownership as a result of inheritance or will. b. Dealing in <u>Securities</u> pursuant to a judicial judgement. c. Transfer or ownership from and to or among the <u>Investment Portfolios</u> 	<ol style="list-style-type: none"> 1. An <u>Insider</u> in the <u>Listed Company</u> is prohibited from dealing in <u>Securities</u> issued by the company during the periods set out below: <ol style="list-style-type: none"> c. Ten <u>Business Days</u> prior to the end of the interim financial statements period until the announcement of the financial results for that period. d. Ten <u>Business Days</u> prior to the end of the financial year until the announcement of the financial results for that period. 2. An <u>Insider</u> in the <u>Listed Company</u> may deal in the <u>Securities Issued</u> by the <u>Listed Company</u> during the restriction periods set out in paragraph (1) of this Article after first obtaining approval from the <u>Authority</u>. 3. An <u>Insider</u> in the <u>Listed Company</u> may deal in the <u>Securities</u> issued by that <u>Listed Company</u> during restriction periods in the following cases: <ol style="list-style-type: none"> l. Transfer of ownership as a result of inheritance or will. m. Dealing in <u>Securities</u> pursuant to a judicial judgement. n. Transfer or ownership from and to or among the <u>Investment Portfolios</u> managed by the licensed companies, provided that such is solely in favour of the beneficial owner. o. Transfer of ownership among spouses and <u>Relatives</u> up to the second degree.

				<p>managed by the licensed companies, provided that such is solely in favour of the beneficial owner.</p> <p>d. Transfer of ownership among spouses and <u>Relatives</u> up to the second degree.</p> <p>e. Subscription on <u>Pre-emptive Rights</u> of <u>Securities</u> or dispose of the same.</p> <p>f. Purchase or transfer the ownership of the required number of <u>Shares</u> to guarantee <u>membership of the Board of Directors</u> pursuant to the company contract.</p> <p>g. Transfer of ownership to settle a debt with a financial institution.</p> <p>h. Entering into a <u>Merger</u> or <u>Acquisition Offer</u>.</p> <p>i. Pledge of <u>Securities</u>.</p> <p>j. Transfer of ownership from the <u>Listed Company</u> to the employee in execution of the <u>Securities</u> purchase option plans.</p> <p>k. Enter public auctions of selling or purchasing a percentage not less than 5% of the <u>Shares</u> of a <u>Listed Company's</u> capital.</p> <p>4. Apart from the prohibition periods set out in paragraph (1) of this Article, an <u>Insider</u> in the <u>Listed Company</u> may deal in the <u>Securities</u> issued by the company if he does not hold <u>Inside Information</u>.</p>	<p>p. Subscription on <u>Pre-emptive Rights</u> of <u>Securities</u> or dispose of the same.</p> <p>q. Purchase or transfer the ownership of the required number of <u>Shares</u> to guarantee <u>membership of the Board of Directors</u> pursuant to the company contract.</p> <p>r. Transfer of ownership to settle a debt with a financial institution.</p> <p>s. Entering into a <u>Merger</u> or <u>Acquisition Offer</u>.</p> <p>t. Pledge of <u>Securities</u>.</p> <p>u. Transfer of ownership from the <u>Listed Company</u> to the employee in execution of the <u>Securities</u> purchase option plans.</p> <p>v. Enter public auctions of selling or purchasing a percentage not less than 5% of the <u>Shares</u> of a <u>Listed Company's</u> capital.</p> <p>4. Apart from the prohibition periods set out in paragraph (1) of this Article, an <u>Insider</u> in the <u>Listed Company</u> may deal in the <u>Securities</u> issued by the company if he does not hold <u>Inside Information</u>.</p> <p>5. Apart from the restriction periods set out in paragraph (1) of this Article and taking into consideration the provisions of the percentages permitted for a <u>Controller</u> of a <u>Listed Company</u> as set out in Article (3-6) of (Chapter Three: Acquisition) of Module Nine (Mergers and Acquisitions) of these Bylaws, a <u>Controller Insider</u> in a <u>Listed Company</u> may deal in <u>Securities</u> issued by the company if he does not hold <u>Inside Information</u>.</p>
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				<p>5. Apart from the restriction periods set out in paragraph (1) of this Article and taking into consideration the provisions of the percentages permitted for a <u>Controller</u> of a <u>Listed Company</u> as set out in Article (3-6) of (Chapter Three: Acquisition) of Module Nine (Mergers and Acquisitions) of these Bylaws, a <u>Controller Insider</u> in a <u>Listed Company</u> may deal in <u>Securities</u> issued by the company if he does not hold <u>Inside Information</u>.</p> <p>Each of the above is without prejudice to the obligation of disclosure as set out in Article (3-6) of this Module.</p>	Each of the above is without prejudice to the obligation of disclosure as set out in Article (3-6) of this Module.
2	Eleven	-	Adding Subject	-	Dealing in Emerging Companies Market
3	Eleven	8-25	Adding Article	-	<p>No person is permitted to trade in <u>Listed Companies</u> on the Emerging Companies Market unless they are a <u>Professional Client</u>.</p> <p>In the event that the trader is a <u>Retail Client</u>, the <u>Issue Manager</u> or <u>Securities Broker</u> must comply with the following procedures prior to the investment of <u>Retail Client</u> in the <u>Listed Company's Shares</u> or trading in Emerging Companies Market:</p> <ol style="list-style-type: none"> 1. Present the statement set forth in Appendix 22 of this Module to the <u>Retail Client</u> intending to invest or trade in this market. 2. Obtain confirmation by the <u>Issue Manager</u> or <u>Securities Broker</u> from <u>Retail Client</u> that they have

					reviewed the statement and agreed to the investment or trading.
4	Twelve	2-1-4	Amending Article	<p>Without prejudice to any legal or contractual restrictions concerning disposal of the <u>Shares</u> that may be mentioned in the <u>Company Contract</u> or <u>Prospectus</u>, the company shall provide an undertaking, from each shareholder whose ownership percentage is equal to or greater than 20% - directly or indirectly - of the company's Shares, to not dispose of a percentage of not less than 20% of these Shares for a period of one year from the listing date. In exception of the above, these shareholders may dispose of these Shares to another Person provided that this Person shall abide by the same undertaking.</p> <p>In all cases, these <u>Shares</u> may be disposed due to submitting any offer pursuant to the provisions of Module Nine (Mergers and Acquisitions) of these <u>Bylaws</u>.</p>	<p>Without prejudice to any legal or contractual restrictions concerning disposal of the <u>Shares</u> that may be mentioned in the <u>Company Contract</u> or <u>Prospectus</u>, the company shall provide an undertaking, from each shareholder whose direct or indirect ownership percentage is equal to or greater than 20% of the company's <u>Shares</u> regarding the disposal mechanism of such ownership, as follows:</p> <ol style="list-style-type: none"> 1. Disposal of this ownership is prohibited during the first six months from the listing date. 2. Disposal of up to 25% of this ownership is permitted after the first six months and before the end of one year from the listing date. 3. Disposal of up to 75% of this ownership is permitted after the first year and before the end of one and a half years period from the listing date. 4. Disposal of the full ownership is permitted after one and a half year from the listing date. <p>In exception of the above, these shareholders may dispose of these <u>Shares</u> to another <u>Person</u> provided that this <u>Person</u> shall abide by the same undertaking.</p> <p>In all cases, these <u>Shares</u> may be disposed due to submitting any offer pursuant to the provisions of Module Nine (Mergers and Acquisitions) of these <u>Bylaws</u> or any other cases approved by the <u>Authority</u> after the <u>Exchange's</u> recommendation.</p>

5	Twelve	2-6	Adding Subject	-	Listing of Shares in the Emerging Companies Market
6	Twelve	2-6-1	Adding Article	-	The <u>Exchange</u> allocates the Emerging Companies Market. These <u>Bylaws</u> and the <u>Exchange</u> Rules set out the requirements for listing in this market.
7	Twelve	2-6-2	Adding Article	-	<p>Application for Listing Companies in the Emerging Companies Market of the <u>Exchange</u>:</p> <ol style="list-style-type: none"> 1. Companies may submit application for listing in the Emerging Companies Market in the <u>Exchange</u> according to the provisions set forth in this Module and the rules issued by the <u>Exchange</u> for this market. 2. The <u>Authority</u> may reject the listing application in the event that the company meets the listing requirements for the Premier Market or Main Market of the <u>Exchange</u> without the company providing acceptable justifications to the <u>Authority</u> for seeking listing in the Emerging Companies Market.
8	Twelve	2-6-3	Adding Article	-	Companies whose <u>Shares</u> have been delisted or that have obtained the <u>Authority</u> 's approval for voluntary delisting from the <u>Exchange</u> may not submit a listing application to the Emerging Companies' Market.
9	Twelve	2-6-4	Adding Article	-	Companies listed in the Emerging Companies Market are exempt from the provision of Item (1) of Article (1-16-1) of this Module. The company shall provide the <u>Exchange</u> and the <u>Authority</u> with its reviewed semi-annual financial statements within 45 days from the end date of the period for which the

					statement is prepared. It shall also disclose them simultaneously using the format prepared by the <u>Exchange</u> for this purpose. The company's <u>Share</u> shall be suspended from trading if it does not meet this deadline.
10	Twelve	2-6-5	Adding Article	-	Non-Kuwaiti companies intending to list in the Emerging Companies Market are exempt from the application of Item (3) of Article (2-2-1) of this Module.
11	Twelve	2-6-6	Adding Article	-	<p><u>Listed Companies</u> in the Emerging Companies Market are exempt from the obligation to apply the following provisions:</p> <ul style="list-style-type: none"> • Article (2-3) of this Module. • Article (2-4-2) of this Module. • The requirement of the percentage stipulated in Item (2) of Article (2-5-1) of this Module related to the voting percentage required to approve voluntary delisting from the <u>Exchange</u>.
12	Twelve	2-6-7	Adding Article	-	Listed Companies in the Emerging Companies Market are exempt from the application of the provisions of Module Fifteen (Corporate Governance), except for Articles (3-1), (3-9), (3-10) and (6-2) of Module Fifteen (Corporate Governance) of these <u>Bylaws</u> .
13	Twelve	2-6-8	Adding Article	-	<p>The duties and responsibilities of the Board of Directors of companies listed in the Emerging Companies' Market include, without limitation the following:</p> <ol style="list-style-type: none"> 1. Approval of the company's objectives, strategies, and key policies, including at the minimum:

					<ol style="list-style-type: none"> a. The company's overall strategy and main business plans, being reviewed and directed. b. The company's optimal capital structure and its financial objectives. c. A clear dividend distributing policy whether cash or in-kind, that serves the interest of shareholders and the company. d. Performance objectives and monitoring implementation and overall company performance. e. Organizational and functional structures within the company and conducting periodic reviews thereof. <ol style="list-style-type: none"> 2. Acknowledgment of the annual estimated budgets and approval of the interim and annual financial statements. 3. Supervision of major capital expenditures of the company and ownership and disposal of assets. 4. Ensuring the company's compliance with the policies and procedures that ensure the company's compliance with the internal applicable systems and regulations. 5. Ensuring the accuracy and soundness of the data and information that should be disclosed in accordance with the applicable policies and systems of disclosure and transparency. 6. Establishing effective communication channels that enable shareholders to remain regularly informed of various company activities and any material updates continuously and periodically.
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					<p>7. Forming specialized committees derived therefrom in accordance with a charter that defines the committee's term, authorities, responsibilities, and the Board's supervision. The formation resolution shall include the members' names, tasks, rights, and duties.</p> <p>In addition, the evaluation of the performance and work of these committees as well as their main members.</p> <p>8. Ensuring the approved policies and regulations of the company are transparent and clear, which facilitates the decision-making process and achieve the principles of a good governance and separates the powers and authorities of the Board of Directors and the executive management. In this field, the Board shall undertake the following:</p> <ol style="list-style-type: none"> Approve and develop internal systems and regulations governing company operations, defining responsibilities and duties across various organizational levels. Approve the delegation policy of and execution of tasks assigned to the executive management. <p>9. Defining the authorities delegated to the executive management, decision-making procedures, and the duration of the delegation. The Board shall identify matters it retains authority over. The executive management shall submit periodic reports on the exercised delegated powers.</p>
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					<p>10. Oversight and supervision of the performance of the executive management and ensuring execution of assigned responsibilities. The Board of Directors shall perform the following:</p> <ul style="list-style-type: none"> a. Ensure that the executive management complies with the policies and regulations approved by the Board of Directors. b. Hold regular meetings with the executive management to consider the progress of work and the obstacles and difficulties it is facing, and present and discuss the significant information related to the company's activity. c. Set performance criteria for the executive management in line with the company's objectives and strategy. <p>11. Defining the remuneration segments that will be granted to the employees, such as fixed remuneration, performance and long-term risk-based remuneration, and <u>Share</u>-based remuneration.</p> <p>12. Appointing or dismissing executive management members, including the <u>Chief Executive Officer</u> and the positions that directly report to him in the company's organizational structure, and ensuring that the conditions set forth in Article (3-9) and the instructions included in Appendix 3 (Mechanism for Applying the Rules of Financial Integrity and Soundness Standards on Members of the Board of Directors and the executive</p>
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					<p>management of Unlicensed Listed Companies) of Module Fifteen (Corporate Governance) of these <u>Bylaws</u> are met.</p> <p>13. Setting a policy that regulate the relation with the <u>Stakeholders</u> to protect their rights.</p> <p>14. Establishing a mechanism to regulate the transactions with the <u>Related Parties</u> to avoid conflicts of interest.</p> <p>15. Ensuring, on a periodic basis, the effectiveness and adequacy of the internal control systems in place at the company and its <u>Subsidiary Companies</u>, including the following:</p> <ol style="list-style-type: none"> Ensuring soundness of the financial and accounting systems, which include the systems related to preparation of financial reports. Ensuring the application of appropriate supervisory systems for the risk assessment and management, through determining the scope of the risks that may face the company and establishing an environment that is familiar with a company-wide culture of limiting risks and offering it to the <u>Stakeholders</u> and <u>Related Parties</u> to the company in a transparent manner.
14	Twelve	2-6-9	Adding Article	-	<p>Without prejudice to the provisions of the <u>Companies Law</u>, the <u>Listed Companies</u> in the Emerging Companies Market shall abide by the following:</p> <ol style="list-style-type: none"> Assign an internal audit committee that submit its report to the Board of Directors.

					2. Provide the general assembly with the internal audit report annually.
15	Twelve	2-6-10	Adding Article	-	If the <u>Listed Companies</u> in the Emerging Companies Market complies with all the provisions of Module Fifteen (Corporate Governance) of these <u>Bylaws</u> and submitted a proof to the <u>Authority</u> , the company shall announce the said and state this information in the company's section on the <u>Exchange</u> website.
16	Twelve	2-6-11	Adding Article	-	The <u>Listed Companies</u> in the Emerging Companies Market are exempt from the provision of Article (3-6) "Percentage of the Sale or Purchase Permitted for <u>Controllers</u> of a <u>Listed Company's Shares</u> " of Module Nine (Mergers and Acquisition) of these <u>Bylaws</u> , provided that this shall not conflict with the provision of Article (2-1-4) of this Module.

Annex 2

Appendix 22 (Client Acknowledgment Statement on the Nature of Investment in the Emerging Companies Market)

Client Acknowledgment Statement on the Nature of Investment in the Emerging Companies Market

Company (Name of the Issue Manager or Securities Broker) confirms that this market may not be suitable for **Retail Clients**. As a **Retail Client**, it is strongly advised that you review all the details and aspects relevant to the available investment opportunities in the Emerging Companies Market, and that you consult a licensed Investment Advisor registered with the Capital Markets Authority to ensure the suitability of this opportunity - specifically this type of investment with your investment objectives and your level of risk tolerance.

By signing this document, you acknowledge and agree that investing in the Emerging Companies Market is of a special nature and subject to high-level risks. These risks include:

1. Loss of the entire invested capital.
2. Low liquidity.
3. Possibility of long-term investment holding.

Annex 3

Appendix 4 (Schedule of the CMA Services Fees)

Schedule of the CMA Services Fees

2. Listing and Delisting:			
#	Service	Fee Amount (Kuwaiti Dinars)	Maturity
2-1	Request of listing the shares of both Kuwaiti and Non-Kuwaiti Shareholding Companies in the Exchange.	KWD 5,000 (five thousand Kuwaiti Dinars)	Upon submitting the listing application.
2-2	Request of listing the shares of Kuwaiti Companies in Non-Kuwaiti exchanges.	KWD 2,000 (two thousand Kuwaiti Dinars)	Upon submitting the application.
2-3	Request of listing both a Kuwaiti and non-Kuwaiti Collective Investment Scheme in the Exchange.	KWD 2,000 (two thousand Kuwaiti Dinars)	Upon submitting the application.
2-4	Request of voluntary delisting of the shares of a company listed in the Exchange.	KWD 5,000 (five thousand Kuwaiti Dinars)	Upon submitting the application.
2-5	Request of listing the shares of Kuwaiti and Non-Kuwaiti Shareholding Companies in the emerging companies' market the Exchange.	KWD 500 (five hundred Kuwaiti Dinars)	Upon submitting the application.