

The Executive Bylaws
Module Twelve

Listing Rules





Contents

| Chapter | Title |
|----------------------|---|
| Chapter One | General Provisions and Scope of Application |
| 1-1 | Scope of Application |
| 1-3 | General Provisions |
| 1-6 | Listing Applications of Securities in the Exchange |
| 1-10 | Continuous Obligations on the listed Security in the Exchange |
| 1-11 | General assemblies of Listed Companies |
| 1-16 | The financial statements of Listed Companies |
| 1-17 | Sustainability report regulations for Listed Companies |
| 1-20 | Suspension from trading a listed Security on the Exchange |
| Chapter Two | Listing Shares of Shareholding Companies in the Exchange |
| 2-1 | Listing Shares of Kuwaiti Shareholding Companies in the Exchange |
| 2-2 | Listing Shares of Non-Kuwaiti Companies in the Exchange |
| 2-3 | Listing a Security listed in the Exchange in Non-Kuwaiti Exchanges |
| 2-4 | Delisting of Shares of Shareholding Companies from the Exchange |
| 2-5 | Voluntary Delisting of Shares of Shareholding Companies from the Exchange |
| Chapter Three | Listing of Funds Units in the Exchange |
| 3-1 | Listing Application of Fund in the Exchange |
| 3-3 | Listing Units of Local Funds in Non-Kuwaiti Exchanges |
| 3-9 | Delisting of Funds' Units from the Exchange |
| 3-10 | Voluntary Delisting of Funds' Units from the Exchange |
| Chapter Four | Listing Bonds and Sukuk |
| 4-1 | Scope of Application |
| 4-2 | General Provisions |
| 4-3 | Requirements Related to the Obligor |
| 4-4 | Requirements Related to Bonds or Sukuk |
| 4-5 | Listing Application |
| 4-11 | Listing of the Bonds or Sukuk Issued by a Foreign Issuer |
| 4-13 | Listing Units of Bonds or Sukuk in any non-Kuwaiti Exchange |
| 4-14 | Delisting of Bonds and Sukuk from the Exchange |
| 4-15 | Voluntary Delisting of listed Bonds and Sukuk from the Exchange |
| Appendices | |
| Appendix 1 | Application for Listing a Listed Security in the Exchange in a Non-Kuwaiti Exchange |
| Appendix 2 | Application for Voluntary Delisting of a Listed Company Shares from the Exchange |

Chapter One

General Provisions and Scope of Application

Scope of Application

Article 1-1

The provisions of this Module shall apply to the Securities listed on the Exchange or the Securities applying for listing on the Exchange or on a Non-Kuwaiti Exchange.

Article 1-2

The provisions of this Module shall apply to the following:

1. Shareholding companies listed on the Exchange.
2. Shareholding companies submitting a Listing Application for its shares on the Exchange.
3. Funds submitting a Listing Application for its Units on the Exchange.
4. Obligor or Issuer- as applicable- submitting a Listing Application for Bonds or Sukuk on the Exchange.
5. Any other Security listed on the Exchange or submits an application for listing on the Exchange or a Non-Kuwaiti Exchange, in a manner consistent with its nature.

General Provisions

Article 1-3

No Security may list on the Exchange unless a recommendation is issued by the Exchange and approved by the Authority.

Listing Pre-emptive Rights shall be exempt from the approval procedures of listing and delisting stipulated in this Module. The Authority's approval of the Prospectus that includes permission of trading Pre-emptive Rights at the Exchange is considered an approval from the Authority on listing these rights. Listing Pre-emptive Rights shall be cancelled after the Listed Company's disclosure of the results of subscription in the company's capital increase.

The Exchange's rules shall explain the controls of listing Pre-emptive Rights.

Article 1-4

A company, Fund, Issuer or Obligor -as applicable- shall abide by the provisions of the Module Ten (Disclosure and Transparency).

Article 1-5

Listed Funds or the listed Issuer if it was a Special Purpose Vehicle Company are exempt from applying the provisions of Module Fifteen (Corporate Governance). Non-Kuwaiti listed companies may be exempt from applying certain provisions of this Module or Module Ten (Disclosure & Transparency) or Module Fifteen (Corporate Governance) in events of conflicts with the relevant laws of the countries where these companies are incorporated or with the requirements of Regulatory Bodies there.

Listing Applications of Securities in the Exchange

Article 1-6

Listing Applications shall be submitted as follows:

1. Listing Applications shall be submitted to the Exchange in accordance with the form prepared by the Exchange for this purpose. Listing Applications in a Non-Kuwaiti Exchange and Applications for Voluntary Delisting from the Exchange shall be submitted in accordance with the form prepared by the Authority for this purpose.
2. All documents and information required stated in the Exchange's rules and these Bylaws shall be attached to this application along with the payment of the set fees for the Exchange and the Authority. The Exchange and the Authority may, at any time after receipt of the Listing Application, request additional information or documents it deems necessary to decide on the application request. The application shall be deemed to have been withdrawn if the information and documents required within the period specified by the Exchange or the Authority as applicable.
3. The Exchange shall provide its recommendation to the Authority regarding the Listing Application of a Security in the Exchange, along with all information and documents required pursuant to the Exchange's rules and these Bylaws. The Exchange notifies the applicant of the same.
4. The Authority shall decide on all Applications related to Listing within thirty Business Days of receipt of the Listing Application subject to meeting all information and documents required pursuant to the Exchange's rules and these Bylaws. The Authority notifies the applicant and the Exchange of its decision on the Listing Application.
5. If the Authority approves the Listing Application, the applicant shall comply with listing in the Exchange within thirty Business Days from notification of this approval, except shareholding companies that intend to offer part of their shares for subscription.
6. The Authority may reject the Listing Application under the following circumstances:
 - a. Not meeting one of the conditions stipulated in this Module or in the Exchange's rules.
 - b. If the Authority deems it necessary for considerations related to the market situation or the national economy in general.
 - c. If the Authority deems it necessary for protecting investors.

In all cases, the decision shall include reasons for such rejection. New Listing Applications may not be submitted before the lapse of six months from the date of the rejection decision.

Article 1-7

The Authority, with a justified decision, may postpone making a decision regarding the applications of listing or voluntary delisting of any Security listed in the Exchange if it is deemed to be in the public interest.

Article 1-8

The Exchange, after obtaining the Authority's approval, may segment the market into several markets, where each market includes a number of listed Securities according to the criteria set by the Exchange. The Exchange's rules shall provide details related to the market segmentation and the distribution of listed Securities in these markets.

Article 1-9 The Exchange shall – on an annual basis – review the distribution of the listed Securities in the different markets. It may also transfer any security from one market to another according to the criteria, controls and procedures included in the Exchange's rules.

Continuous Obligations on the listed Security in the Exchange

Article 1-10 With regards to amending the Company Contract, a Listed Company shall:

1. Provide the Authority and disclose at the Exchange the certificate of noting the amendment of the Company Contract in the commercial register within a maximum of five Business Days from the date of issuing the commercial register notation.
2. In the case where the amendment of the capital in the Company Contract is pursuant to the minutes of the Board of Directors, a copy of such minutes shall be attached with the certificate of noting in the register mentioned in the previous clause.

Article 1-11 General assemblies of Listed Companies

Article 1-11-1 Without prejudice to the provisions of Article (1-5) of this Module, Listed Companies shall comply with the provisions of general assemblies included in Module Fifteen (Corporate Governance), in addition to those included in this Module.

Article 1-11-2 Listed Companies may use the electronic system to attend the general assemblies.

In order to achieve its objectives, especially within the context of protecting minority interests, the Authority may obligate the Listed Companies to use the Electronic System of Participation. In all cases, the right to attend and vote through the electronic system is for the shareholders registered in the company's registries at the end of the tenth day preceding the date of the general assembly.

In the event that this day falls on a holiday or official day off, the preceding Business Day shall be considered.

Article 1-11-3 A Listed Company shall:

1. Provide a notification to the Authority and disclose at the Exchange, including the Date of the Right to Attend the General Assembly and the statement of the final date of purchasing the company's shares to obtain the right to attend the general assembly as well as the agenda, date and place of the meeting and the methods to participate in the general assembly according to the form in Appendix 14 of Module Ten (Disclosure and Transparency) of the Executive Bylaws - attached to it all documents relevant to the items on the agenda - at least five Business Days prior to the Date of the Right to Attend the General Assembly.
2. Provide the Authority and disclose at the Exchange the authenticated minutes of the general assembly's meeting, the quorum, the voting results on each item of the meeting, and the notices and reservations received from the shareholders or their representatives and the auditors within a maximum of ten Business Days from the date of the meeting.

Article 1-11-4

Without prejudice to the provisions of Module Five (Securities Activities and Registered Persons), Module Ten (Disclosure and Transparency), Module Fifteen (Corporate Governance), and the Companies Law and its Executive Bylaws, the Listed Company shall comply with the following conditions for the nomination and election of Members of the Board of Directors:

1. The company shall publish an announcement on the company's and the Exchange's websites inviting persons interested in running for Board membership, provided that the nomination period shall be open for at least one month from the announcement date.
2. The company shall disclose at the Exchange the names of the Board of Directors nominees recommended by the nominations and remunerations committee at the company to present their names to the general assembly in accordance with the form included in Appendix 14 of Module Ten (Disclosure and Transparency) of the Executive Bylaws. The names of the nominated members and the capacity for which they wish to be nominated (executive/ non-executive/ independent) shall be determined, and attaching a brief introduction and curriculum vitae for each candidate.
3. No member may run for the company's Board of Directors after the period set forth in Item (1) of this Article.

The Units Subject to the Supervision of the Central Bank shall comply with the regulations and instructions stipulated in the Laws issued by the Central Bank.

Article 1-12

The Exchange, after obtaining the Authority's approval, shall set the rules and provisions of the entitlement of Shares regarding listed Securities.

Article 1-13

A Listed Company in the Exchange shall comply with the rules set by the Exchange, and approved by the Authority regarding the entitlement of Shares.

| | |
|----------------|--|
| Article 1-14 | Each <u>Listed Company</u> shall organize and keep books, registers and accounts reflecting detailed and accurate transactions or ownership transfers of the assets of such company, in accordance with International Financial Reporting Standards (IFRS) and the audit standards issued by International Accounting Standards Board (IASB), which are amended from time to time. |
| Article 1-14-1 | A <u>Listed Company</u> , when evaluating or assessing the impairment of any asset recorded in its financial statements, based on the requirements of the International Accounting Standards approved by the <u>Authority</u> , shall comply with the provisions of Appendix (1) "Minimum Requirements for the Valuation or Assessment of the Impairment of Assets" of Module Eleven (Dealing in Securities) of these <u>Bylaws</u> . |
| Article 1-15 | <p>Each Listed Company shall:</p> <ol style="list-style-type: none">1. Appoint an <u>Auditor</u> from the auditors registered within the <u>Authority</u> for one financial year, renewable annually for not more than four consecutive years, unless it is in the liquidation phase, provided that such <u>Auditor</u> is not a manager, an official, an employee or a partner in the <u>Listed Company</u>.2. The same <u>Auditor</u> may be reappointed after the lapse of at least two consecutive years.3. The <u>Listed Company</u> shall notify the <u>Authority</u> within a period of no more than seven <u>Business Days</u> from the date of appointment, replacement or resignation of the <u>Auditor</u>.4. The provisions of this article is applicable without prejudice to the rules set by the <u>Central Bank</u> of Kuwait in this regard for <u>Units Subject to the Supervision of the Central Bank</u>. |
| Article 1-16 | The financial statements of Listed Companies |
| Article 1-16-1 | <p>Each <u>Listed Company</u> on the <u>Exchange</u> shall perform the following:</p> <ol style="list-style-type: none">1. Provide the <u>Exchange</u> and the <u>Authority</u> with its reviewed periodical financial statements within forty-five days from the end date of the period for which the statement is prepared with regard to the periodical financial statements, and disclose these simultaneously in accordance with the form prepared by the <u>Exchange</u> for this purpose. The shares of the <u>Listed Company</u> shall be suspended from trading if the company is delayed.2. Provide the <u>Exchange</u> and the <u>Authority</u> with its audited annual financial statements within ninety days from the end of the financial year and disclose these simultaneously in accordance with the form prepared by the <u>Exchange</u> for this purpose. The shares of the <u>Listed Company</u> shall be suspended from trading directly if the company is delayed. <p>Banks are exempt from submitting their financial statements mentioned in the previous items (1) and (2) within the same dates to the <u>Authority</u>, without prejudice to the rules set by the <u>Central Bank</u> of Kuwait in this regard for <u>Units Subject to the Supervision of the Central Bank</u>.</p> |

- Article 1-16-2** The following procedures shall be applied in the event that the Auditor provides an adverse opinion or a disclaimer of opinion on the periodical or annual financial statements of the Listed Company:
1. The Listed Company shall disclose in accordance with the form prepared by the Exchange that is mentioned in Article (1-16-1) of this Module, to include the following:
 - a. A written opinion of the Auditor.
 - b. A detailed explanation of the case that led the Auditor to give his opinion.
 - c. The steps that the company will follow to resolve what was stated in the Auditor's opinion.
 - d. The timetable of implementing the steps of resolving what was stated in the Auditor's opinion.
 2. The Exchange shall suspend the shares of the Listed Company from trading.
- Article 1-16-3** In the event that the Auditor provides a qualified opinion on the periodical or annual financial statements of the Listed Company, the Listed Company shall disclose in accordance with the form prepared by the Exchange as mentioned in Article (1-16-1) of this Module including the following:
- a. A written opinion of the Auditor.
 - b. A detailed explanation of the case that led the Auditor to give his opinion.
 - c. The steps that the company will follow to resolve what was stated in the Auditor's opinion.
 - d. The timetable of implementing the steps of resolving what was stated in the Auditor's opinion.
- Article 1-16-4** The Authority may decide to resume trading the shares of the Listed Company that was suspended pursuant to Article (1-16-2), if one of the following cases was achieved:
- a. The resolution of the matters that led the Auditor to provide the opinion and submitting proof of this to the Authority.
 - b. The issuance of new financial statements that do not include an adverse opinion or a disclaimer of opinion.
 - c. Any other cases approved by the Authority.

Article 1-16-5

The Authority may take disciplinary action against the Board of Directors of the Listed Company in the following cases – for example but not limited to-:

1. The trading on the Shares was suspended as a result of the cases mentioned in Article (1-16-1) of this Module.
2. The trading on the Shares was suspended as a result of the cases mentioned in item (2) of Article (1-16-2) of this Module.
3. The trading on the Shares was suspended as a result of the termination of the contract with the Auditor as a result of a disagreement between the Listed Company and the Auditor.
4. If the Listed Company does not hold its annual ordinary general assembly following the end of the financial year within two months from the disclosure date of its audited annual financial statements. Non-Kuwaiti Listed companies on the Exchange are exempt from the provision of this article and are subject to applicable regulations of the Exchange in which these companies are listed in its place of incorporation.

Article 1-17

Sustainability report regulations for Listed Companies:

Article 1-17-1

The Listed Company may issue an annual Sustainability report and publish it through its website. The report shall determine the impact of the company's activities on the environment, society, and the economy, as well as the company's opportunities and risks associated with those areas and how it manages them. The Authority shall be notified of the report, and it shall be published on the website of the Exchange.

Article 1-17-2

The information available in the Sustainability report must be clear and accurate, and the report must cover the most important issues of environmental, social, and economic impact in a way that enables stakeholders to evaluate the company's Sustainability level during the report's period. The following points shall be taken into consideration when preparing the report:

1. The report shall be prepared according to one or more of the international Sustainability reporting standards.
2. Describe the scope of the report and the basis for its determination.
3. Determine the company's most important topics of environmental, social, and economic impact, and engage stakeholders in the materiality assessment process of those topics and describe the method followed in the assessment process.
4. Describe the method and procedures followed in dealing with each of the Sustainability topics that were determined in the materiality assessment process mentioned in item (3) of this Article. The company may seek external assurance to enhance the report's credibility, provided that the assurance report shall be included in the Sustainability report.

Article 1-17-3

The Exchange shall prepare a comprehensive guide for Listed Companies to refer to when preparing their Sustainability reports, and this guide shall be approved by the Authority.

Article 1-17-4

Based on instructions issued by the Authority, the Exchange shall require Listed Companies in one of the market segments pursuant to Article (1-8) of this Module to disclose their Sustainability reports. The Exchange's rules shall provide details on the requirements for the Sustainability reports disclosure.

Article 1-18

The related parties referred to in Article (1-2) of this Module shall commit to pay the fees and subscriptions stated by the Authority and the Exchange.

Article 1-19

All the parties, subject of listing, referred to in Article (1-2) of this Module, shall commit to sign agreements with the Exchange, and Central Securities Depository under which the rights and obligations of each party are stated.

Suspension from trading a listed Security on the Exchange

Article 1-20

The Authority may temporarily suspend trading in the Exchange, and suspend the trading of any Security listed in the Exchange in any of the following cases:

1. Violating the Issuer for any of the obligations imposed on it under the laws and regulations applied by the Authority and the Exchange.
2. Disasters, crises and unrest that could cause significant adverse effects to the market.
3. Achieve investor protection in the markets.
4. If the Issuer fails to submit any data or documents required by the Authority within its regulatory scope.
5. If the Auditor has given a material, qualified opinion on the periodical or annual financial statements, or in the event that the contract with the Auditor was terminated as a result of a disagreement between the Listed Company and the Auditor.

| | |
|---------------------|---|
| Article 1-21 | The <u>Exchange</u> may suspend trading any <u>Listed Security</u> in the cases which the <u>Exchange</u> is allowed to do so in accordance with the laws, regulations and rules applied by the <u>Authority</u> and the <u>Exchange</u> . |
| Article 1-22 | All the parties, subject to listing, referred to in Article (1-2) of this Module, shall meet the conditions and requirements necessary for re-listing the <u>Security</u> within the period stated by the <u>Authority</u> or the <u>Exchange</u> . |
| Article 1-23 | The parties referred to in Article (1-2) of this Module whose <u>Securities</u> listing is cancelled or voluntarily delisted from the <u>Exchange</u> may apply for re-listing of their <u>Securities</u> in the <u>Exchange</u> , provided that the requirements necessary for listing are fulfilled. New <u>Listing Applications</u> may not be submitted before the lapse of six months from the date of executing the cancelation or delisting decisions. |

Chapter Two

Listing Shares of Shareholding Companies in the Exchange

Article 2-1

Listing Shares of Kuwaiti Shareholding Companies in the Exchange

Kuwaiti companies may be listed in the Exchange if the listing conditions stipulated in the Exchange's rules are met, in addition to the following conditions:

1. The legal form of the company shall be a shareholding company.
2. The company's Shares shall be tradable and freely transferable with no restrictions on trading all of its shares or the transfer of the Shares ownership between the investors.

Article 2-1-1

Kuwaiti companies that have the form of a Public Shareholding Company shall submit to the Exchange a Listing Application for their Shares in the Exchange within the company's second year of practicing its main activities, otherwise the Authority may take legal measures in respect of the company. However, companies completely owned by the government are exempt from submitting a Listing Application. The Authority shall determine the time at which the company commenced operations in accordance with the available documents.

Article 2-1-2

Each shareholding company willing to be listed in the Exchange may offer part of its shares for Public or Private Subscription, whether such shares represent an increase in the capital or shares already issued and owned by the company's shareholders, pursuant to the following provisions:

1. Listing Applications shall be submitted to the Exchange in accordance with the form prepared by the Exchange for this purpose at the same time of submitting the request for approval of the Prospectus to the Authority.
2. The Exchange shall provide the Authority with its recommendation regarding the Listing Application, along with all documents and information required pursuant to the Exchange's rules and these Bylaws. The applicant shall be notified of this recommendation.
3. The Authority issues its decision regarding the company's intent to make the offer in light of the Exchange's recommendation regarding the level of the company's fulfilment of the listing conditions, except those relevant to the value of Shares owned by the Controller or controlling group, and the number of Shares and minimum limits of each shareholder ownership.
4. In the case for the request for offering the Shares for Public Subscriptions and Private Placements together, this shall be done in accordance with the time set by the Authority, and there shall be no preferential conditions - except with the approval of the Authority - for the subscribers in the Private Placement.
5. Subscription must result in fulfilling all conditions set by the Exchange for listing at least in the Main Market, which are relevant to the value of Shares owned by Controller or controlling group, and the number of shareholders and minimum limits of each shareholder ownership. The Prospectus shall include the right of any subscriber to unsubscribe if the subscription did not result in meeting such conditions within five Business Days from announcing the subscription results.
6. The company shall provide the Authority and the Exchange with evidence of having fulfilled all conditions related to the value of the Shares owned by the Controller or the controlling group, and the number of shareholders and minimum limits of each shareholder ownership, as applicable, within five Business Days from announcing the subscription results. The Authority's approval shall be considered null and void if the company does not fulfill these requirements.

7. The company is obligated to list on the Exchange within three Business Days from the date of submitting the subscription statement mentioned in Article (5-46) of Module Eleven of these Bylaws.
8. All the periods mentioned in this Article are mandatory. The delay or failure of the applicant to fulfilling these requirements during such periods will result in the Authority's issued approval being considered null and void, unless the Authority agrees to extend this period in accordance with the considerations of the public interest.
9. The process of subscription, allotment, and issuance of the Shares may be executed electronically through the system of the Clearing Agency or any other system compatible with its automated systems and according to its procedures and fulfills the company's commitment to the time frame of this Article.

Article 2-1-3

The Closed Shareholding Company willing to offer its shares for Public Subscription shall submit a Listing Application for its shares in the Exchange. It shall be subject to the same conditions and procedures provided for in the previous article.

Article 2-1-4

Without prejudice to any legal or contractual restrictions concerning disposal of the Shares that may be mentioned in the Company Contract or Prospectus, 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 Shares regarding the disposal mechanism of such ownership, as follows:

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.

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.

In all cases, these Shares may be disposed due to submitting any offer pursuant to the provisions of Module Nine (Mergers and Acquisitions) of these Bylaws or any other cases approved by the Authority after the Exchange's recommendation.

Article 2-2

Listing Shares of Non-Kuwaiti Companies in the Exchange

Article 2-2-1

Non-Kuwaiti companies may be listed in the Exchange if the listing conditions provided in the Exchange's rules are met, in addition to the following:

1. The legal form of the company shall be a shareholding company.
2. The company's Shares shall be tradable and freely transferable with no restrictions on the trading of the shares to be listed or the transfer of the Shares ownership between the investors related to the company nor the country of incorporation of other nationalities, and specifying such restrictions, if any.
3. The company shall appoint a legal representative in the State of Kuwait provided that it is one of the Licensed Persons to perform the tasks of representing the company in the State of Kuwait before the Authority, Exchange, and third parties.
4. Any other requirements, conditions or rules stipulated by the Authority.

Article 2-2-2

Each Non-Kuwaiti shareholding company intending to be listed may offer part of its Shares for Public or Private Subscription in the Exchange, whether such Shares represent an increase in the capital or Shares already issued and owned by the company's shareholders pursuant to the provisions stipulated in Article (2-1-2) of this Module.

Article 2-3

Listing a Security listed in the Exchange in Non-Kuwaiti Exchanges

Article 2-3-1

Kuwaiti companies listed on the Exchange may not list their Shares on Exchange outside the State of Kuwait until after obtaining the approval of the Authority.

Article 2-3-2

In order to list a Security that is listed on the Exchange on any Non-Kuwaiti Exchange, the following conditions shall be met:

1. The Authority's approval on submitting the Listing Application of a Security to a Non-Kuwaiti Exchange.
2. Submitting a study specifying the purpose of listing on a Non-Kuwaiti Exchange and its requirements, and its effect on the activity of Security's issuer, and the obligations arising from listing. Also submit a summary of the technical study including the purpose of listing on a Non-Kuwaiti Exchange, its benefits and anticipated risks, in addition to the precautions taken to limit such risks.
3. Submitting a certified copy of the ordinary general assembly's resolution approving the listing of the Security in the Non-Kuwaiti Exchange upon the request for approval, provided that the approval of the general assembly has not been more than one year.
4. Submitting an undertaking upon the request for approval of not disclosing any information to the Non-Kuwaiti Exchange before or at the same time of disclosing the same to the Exchange.
5. Submitting an undertaking upon the request for approval to provide the Exchange with all requirements and information related to disclosure in the Non-Kuwaiti Exchange.
6. Any other requirements, conditions or rules stipulated by the Authority.

Article 2-4

Delisting of Shares of Shareholding Companies from the Exchange

Article 2-4-1

The Authority may cancel the listing of the Shares of a shareholding company listed in the Exchange in any of the following cases:

1. If the company refrained from appointing a Compliance Officer after being notified by the Authority to do so.
2. If the company is dissolved in accordance with the provisions of the Companies Law.
3. If the trading of the share was suspended for a period of six months without the company meeting the necessary requirements to resume trading.
4. If the company merged with another company or companies whereby such merger leads to the termination of its corporate legal identity.
5. If the listed shareholding company stopped practicing its activities permanently, or if stopped practicing its activities temporarily for more than a year.
6. In case of a Reverse Acquisition which is stipulated in Article (3-10) of Chapter Three of (Mergers and Acquisitions) Module of these Bylaws.
7. If the company breaches one of the listing requirements set forth in these Bylaws or the Exchange's rules.
8. If the Authority deems that canceling the listing is necessary for protecting investors or regulating the market.

Article 2-4-2

The Board of Directors of a company shall call the general assembly to discuss the resolution of delisting the company's Shares from the Exchange, including addressing the company's current condition and the future plans to resolve these conditions. Calling for the company's general assembly shall be made within a period of three months from the date of the resolution to delist the company's Shares. The Members of a Board of Directors shall be subject to disciplinary actions in case of refraining from convening the general assembly during the stated period.

The company shall also provide the Authority and the Exchange with a copy of the certified minutes of the general assembly meeting, within a period of not more than two weeks from the date of commencing the general assembly.

Article 2-4-3

Kuwaiti shareholding companies whose Shares were delisted pursuant to a resolution shall be registered in the (Unlisted Securities System) through the continuous trading within five Business Days from the effective date of the cancellation resolution.

Article 2-5

Voluntary Delisting of Shares of Shareholding Companies from the Exchange

Article 2-5-1

Without prejudice to the provisions of Article (1-6), Article (1-20) and Article (2-4) of this Module, any listed shareholding company may request to voluntarily delist from the Exchange pursuant to the conditions and procedures in the following order:

1. Disclosing on the Exchange about the company's Board of Directors' recommendation to voluntarily delist from the Exchange and providing reasons for this decision.
2. Obtaining the approval of the general assembly to voluntarily delist, with the following conditions fulfilled:
 - The votes to approve the voluntary delisting shall not be less than 75% of the attendees to the general assembly.
 - Not more than a year has passed since obtaining the decision of the voluntary delisting in the general assembly.
3. Providing the Authority with the reasons for delisting from the Exchange.
4. Providing the Authority with a voting sheet ratified by the Clearing Agency on the voluntary delisting item in the general assembly.
5. Providing the Authority with an undertaking guaranteeing payment of any amounts or obligations due from the company to the Exchange or Clearing Agency for the period of its listing in the Exchange.
6. Providing the Authority with an undertaking, in coordination with a Clearing Agency, for payment of any obligations of the company towards the shareholders including cash dividends and bonus shares.
7. Obtaining the Authority's approval for the voluntary delisting, and announcing it in the Exchange.
8. Announcing that a date is specified for delisting from the Exchange at least six months from the date of announcing the Authority's approval, without including any suspension of trading of Shares within this period.

| | |
|----------------------|---|
| Article 2-5-2 | <p>If the <u>Authority</u> approves the application for delisting from the <u>Exchange</u>, any <u>Person</u> may submit an offer to purchase the <u>Shares</u> from the shareholders willing to sell before delisting from the <u>Exchange</u>, provided that the purchase price shall not be less than the average share price of the last six months of trading from the disclosure of the Board of Directors' recommendation to delist from the <u>Exchange</u>. The purchase must be completed before the actual date of the delisting.</p> <p>The <u>Exchange</u> shall specify the rules for such process.</p> |
| Article 2-5-3 | <p>In the case that the company intends to withdraw the request of the voluntary delisting from the <u>Exchange</u>, it shall express its intention before the Authority's issuance of its decision regarding the voluntary delisting request. The company shall attach with the withdrawal request the following documents:</p> <ol style="list-style-type: none">1. Letter that explains the reasons for withdrawing the delisting request from the <u>Exchange</u>.2. Copy of the company's general assembly's decision of withdrawing the decision of delisting from the <u>Exchange</u>, approved by the designated authorities.3. The <u>Authority</u> may accept the withdrawal request or reject the request and continue to study the delisting request. |
| Article 2-5-4 | <p>Kuwaiti shareholding companies on which a resolution was issued regarding their voluntary delisting from the <u>Exchange</u> shall be registered in the (Unlisted Securities System) through the continuous trading within five <u>Business Days</u> from the date of the voluntary delisting.</p> |
| Article 2-6 | Listing of Shares in the Emerging Companies Market |
| Article 2-6-1 | <p>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.</p> |
| Article 2-6-2 | <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. |
| Article 2-6-3 | <p>Companies whose <u>Shares</u> have been delisted or that have obtained the <u>Authority's</u> approval for voluntary delisting from the <u>Exchange</u> may not submit a listing application to the Emerging Companies' Market.</p> |

| | |
|----------------------|---|
| Article 2-6-4 | 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. |
| Article 2-6-5 | 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. |
| Article 2-6-6 | <p>Listed Companies 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>. |
| Article 2-6-7 | 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> . |
| Article 2-6-8 | <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.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.
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.
In addition, the evaluation of the performance and work of these committees as well as their main members.
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:
 - a. Approve and develop internal systems and regulations governing company operations, defining responsibilities and duties across various organizational levels.
 - b. Approve the delegation policy of and execution of tasks assigned to the executive management.
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.

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:
 - 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.
11. Defining the remuneration segments that will be granted to the employees, such as fixed remuneration, performance and long-term risk-based remuneration, and Share-based remuneration.
12. Appointing or dismissing executive management members, including the Chief Executive Officer 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 management of Unlicensed Listed Companies) of Module Fifteen (Corporate Governance) of these Bylaws are met.
13. Setting a policy that regulate the relation with the Stakeholders to protect their rights.
14. Establishing a mechanism to regulate the transactions with the Related Parties to avoid conflicts of interest.
15. Ensuring, on a periodic basis, the effectiveness and adequacy of the internal control systems in place at the company and its Subsidiary Companies, including the following:
 - a. Ensuring soundness of the financial and accounting systems, which include the systems related to preparation of financial reports.
 - b. 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 Stakeholders and Related Parties to the company in a transparent manner.

Article 2-6-9

Without prejudice to the provisions of the Companies Law, the Listed Companies in the Emerging Companies Market shall abide by the following:

1. 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.

Article 2-6-10

If the Listed Companies in the Emerging Companies Market complies with all the provisions of Module Fifteen (Corporate Governance) of these Bylaws and submitted a proof to the Authority, the company shall announce the said and state this information in the company's section on the Exchange website.

Article 2-6-11

The Listed Companies in the Emerging Companies Market are exempt from the provision of Article (3-6) "Percentage of the Sale or Purchase Permitted for Controllers of a Listed Company's Shares" of Module Nine (Mergers and Acquisition) of these Bylaws, provided that this shall not conflict with the provision of Article (2-1-4) of this Module.

Chapter Three

Listing of Funds Units in the Exchange

3

Article 3-1

Listing Application of Fund in the Exchange

Listing a Fund in the Exchange:

Without prejudice to the application of Article (1-6) of this Module, Funds submitting a Listing Application for their Units in the Exchange shall meet the investment conditions stipulated in Module Thirteen (Collective Investment Schemes) of the Bylaws, and the listing conditions set forth in the Exchange's rules, in addition to the following conditions:

1. The Fund shall be licensed by the Authority and registered in Collective Investment Schemes register by the Authority.
2. It shall be a Close-Ended Fund or Exchange-traded Funds (ETFs).
3. The Articles of Association of the Fund shall stipulate the possibility to list the Units of the fund on the Exchange.
4. The remaining period for the Fund shall not be less than one year from the date of submitting the Listing Application unless its period is extended.
5. The Units of the Fund shall be tradable and freely transferable in conformity with the provisions of the Law, these Bylaws, the Articles of Association, and the rules set forth by the Exchange and approved by the Authority. The purchase of the Unit owner of any Unit shall be deemed as an acknowledgment of his perusal and approval of the provisions of the Articles of Association of the Fund. The Fund Manager shall be committed to publishing the Articles of Association of the Fund and its amendments through the Exchange.
6. Any other conditions or regulations stipulated by the Authority.

Article 3-2

Units of the Real Estate Income-generating Fund (Traded) shall be listed on the Exchange, and such Units are traded.

Listing Units of Local Funds in a Non-Kuwaiti Exchange

Article 3-3

Units of local Funds listed in the Exchange may not list their Units on any Non-Kuwaiti Exchange without obtaining the Authority's approval.

Article 3-4

The Fund Manager shall comply with the provisions of Article (2-4-2) of Module Thirteen (Collective Investment Schemes) of these Bylaws if the capital of the Exchange-Traded Fund is reduced to less than the minimum limit stipulated in the mentioned article.

Article 3-5

The Fund Manager of a listed Fund shall publish the basic financial information and any information relating to the Fund Unit holders on the disclosure system in the Exchange, and shall disclose the Material Information pursuant to the provisions of Chapter Four of Module (Disclosure and Transparency) of these Bylaws, in a manner that is consistent with its nature. In all cases, the Fund Manager shall disclose to the Authority and the Exchange the following information:

1. Any transaction for the purchase, sale, mortgage or lease of an asset at a price equal to or greater than 10% of the total value of the Fund's assets in accordance with the latest monthly valuation or financial statements, whether reviewed interim financial statements or audited annual financial statements.
2. Any losses equal to or greater than 10% of the net assets of the Fund in accordance with the latest monthly valuation or financial statements, whether reviewed interim financial statements or audited annual financial statements.
3. The percentage of borrowing or obligations on the Fund from the net value of its assets.
4. If the operating income of a tenant exceeds 10% of the total operating income of the Fund, the Fund Manager shall disclose the duration of the contract and the remaining period in respect to Real Estate Income-generating Funds (Traded).
5. Amendments to the Articles of Association.
6. Any change in the composition of the members of the Board of Directors of the Fund or any change in the service providers.
7. Any cease in any of the Fund's main activities and constitutes a material impact on its revenues.

Article 3-6 In case of changing the Fund Manager, the new Fund Manager shall commit to the provisions stated in this Module.

Article 3-7 The Funds shall commit to fill in the prepared and approved by the Authority form for this purpose upon submitting their applications.

Article 3-8 The Fund Manager shall comply with the provisions of distributing dividends stipulated in the Exchange's rules in respect to the entitlement of Shares, in a manner that is consistent with the nature of this Fund and the provisions to which it is subject.

Delisting of Funds' Units from the Exchange

Article 3-9 The Authority may cancel the listing of units of Fund on the Exchange in any of the following cases:

1. If the Fund no longer complies with any of the listing requirements stipulated in this Module, related to the following:
 - a. Failure to appoint a service provider after a period of six months from being notified of its necessity by the Authority.
 - b. If the trading of Units of the Fund was suspended for a more than a period of six months without taking any proper procedures to resume trading by the Fund Manager.
2. If the Fund stopped practicing its licensed activities permanently or if the Fund stopped practicing its licensed activities temporarily for more than a year.
3. If the license of the Fund is cancelled for any reason.
4. If the Fund was terminated for any reason.
5. If the Authority deems that canceling the listing is necessary for protecting investors or regulating the market.

Article 3-10

Voluntary Delisting of Funds' Units from the Exchange

Any listed Fund may request to delist its Units from the Exchange pursuant to the terms and conditions in the following order:

1. Disclosing on the Exchange about the recommendation of the entity that manages the fund to delist from the Exchange and providing reasons.
2. Without prejudice to the provisions of Article (2-35) of Module Thirteen (Collective Investment Schemes) of these Bylaws, the approval of the Unit holders holding the majority of 75% of the Fund's capital must be obtained, and proof must be submitted to the Authority.
3. If the Exchange-traded Funds of certain Unit holders are not able to recover due to the limited number of their units, the Authority will hold the managers of the Fund responsible and shall require redemption of the units owned by the participants in accordance with the last price for the unit assessment at the redemption time, and proof of the same must be submitted to the Authority.
4. Providing the Authority with the reasons of delisting from the Exchange.
5. Providing the Authority with an undertaking from the entity managing the Fund guaranteeing payment of any amounts or liabilities due from the Fund to the Exchange for the period of listing in the Exchange.
6. Providing the Authority with undertaking, in coordination with a Clearing Agency for payment of any liabilities on the Fund towards the Unit holders including cash profits and returns.
7. Obtaining the Authority's approval for the voluntary delisting, and announcing it in the Exchange.
8. Announcing that a date is specified for delisting from the Exchange at least six months from the date of announcing the Authority's approval, without including any suspension of trading of Units within this period.

Chapter Four

Listing Bonds and Sukuk

4

Article 4-1

Scope of Application

The provisions of this Chapter shall apply to the listing of Bonds and Sukuk issued by:

1. Public Shareholding Companies.
2. Closed Shareholding Companies.
3. Special Purpose Vehicle Companies regulated by the Authority in pursuant with the provisions stipulated in Item (9) of Article (5) of Law.
4. Different Government Bodies, agencies and public institutions.

These provisions also apply to any foreign Issuer submitting Bonds and Sukuk Listing Application for trading on the Exchange.

Article 4-2

General Provisions

An Issuer of Bonds or Sukuk, approved by the Authority to be offered through a Public Offering, shall submit a Listing Application to the Authority to list these Bonds or Sukuk on the Exchange prior to them being issued to the public.

An Issuer of the Bonds or Sukuk which are offered via a Private Placement may submit a Listing Application to the Authority for listing these Bonds and Sukuk on the Exchange.

Article 4-3

Requirements Related to the Obligor

The Obligor of the Bonds or Sukuk submitting a Listing Application shall meet the following conditions:

1. It shall be dully incorporated in accordance with the provisions stipulated in the laws of its country of incorporation and be operating in conformity with its Company Contract.
2. The issued capital of the Issuer shall be fully paid.
3. That a period of no less than three financial years have passed since the Obligor incorporation for which three audited financial statements have been issued prior to the submission of the Listing Application.
4. The Obligor shall have been practicing one or more of its main licensed activities for the last three financial years prior to the date of submitting the Listing Application.
5. To be able to demonstrate on its own or with its Subsidiaries its ability to meet the working capital requirements for the Issuer for the twelve months immediately following the Listing Application date.
6. The members of the senior management or the Obligor's Members of a Board of Directors shall have sufficient expertise and experience for the management of its business.
7. Obtaining the written approval of the Authority and other Regulatory Bodies for issuance of Bonds or Sukuk for which listing is sought.
8. Appointment of a Listing Advisor.
9. Any other conditions or regulations stipulated by the Authority.

Requirements Related to Bonds or Sukuk

Article 4-4

Bonds and Sukuk may be listed in the Exchange if the listing conditions stipulated in the Exchange's rules are met, in addition to the following conditions:

1. Bonds or Sukuk shall be duly issued in accordance with the provisions of the laws and regulations applicable to the Issuer and the Obligor and in conformity with their respective Company Contract.
2. Bonds or Sukuk shall be tradable and freely, and there shall not be any restrictions that may obstruct their trading or the transfer of their ownership between the traders of the Issuer or the Obligor or their respective countries of incorporation, and specifying such restrictions, if any.
3. The Sukuk shall be issued and approved for trading in accordance with the provisions of Islamic Sharia and approved by an External Sharia Auditing Office.
4. Forming a Bondholders Association or Sukukholders Association.
5. Obtaining a credit rating for the Bonds or Sukuk from a Credit Rating Agency licensed or accepted by the Authority.
6. Any other conditions or regulations stipulated by the Authority.

Article 4-5

Listing Application

The Listing Application shall be signed by the Issuer or Obligor and submitted to the Authority on the form prepared for this purpose, accompanied by the following documents:

1. An authorization letter from the Issuer or Obligor - as applicable - to the Listing Advisor for following up with the process of listing the Bonds or Sukuk on the Exchange.
2. Copy of the Company Contract of the Issuer, Obligor and Guarantor pursuant to the applicable laws in the country of its incorporation and a copy of all the amendments that occurred to the same.
3. Basic and financial details of the Issuer or Obligor - as applicable - as follows:
 - a. The name of the Issuer or Obligor - as applicable - and its legal form.
 - b. The amount of the capital.
 - c. The Issuer or Obligor - as applicable - main licensed activities and its relationship with any other holding, Subsidiary, Associate or Ally company.
 - d. The list of the names of the Members of a Board of Directors.
 - e. The list of the authorized signatories and sample of signatures.
 - f. The country in which the Issuer or Obligor - as applicable - and the place of its headquarters are incorporated.
 - g. The name and address of the external Auditor and the external Sharia Audit Office.
 - h. Copy of the company's shareholders register issued by a Clearing Agency.
 - i. Copy of the Prospectus.
 - j. Copy of the Trust Document, if any.
 - k. Copy of the guarantee of the issuance, as applicable.
4. The approved original copy of the audited financial statements of the Issuer or Obligor - as applicable - and any other guarantor for the last three financial years prior to the submission of the Listing Application, in addition to the latest audited quarterly financial statements if more than three months have passed since the last annual financial statements of the company. In case where the Issuer is a Special Purpose Vehicle Company set up for the purposes of issuing Asset-Backed Bonds or Asset-Backed Sukuk, this requirement shall not be applied.
5. A copy of the Board of Directors or the related management of the Issuer or Obligor to approve the Listing Application.
6. In case of Guaranteed Issue, a copy of the resolution of the Board of Directors' or the Administrative Authority to the guarantor approving the Listing Application, in the case of a guaranteed issue of Sukuk.
7. A copy of the approval sought from the Authority or any other Regulatory Bodies for the Bonds or Sukuk issue, in addition to a letter from the Listing Advisor of the Issuer - as applicable - confirming that all the necessary approvals has been obtained.

8. An undertaking or acknowledgment from the Board of Directors or members of the Administrative Authority of the Issuer or Obligor - as applicable - to comply with the applicable laws, regulations and resolutions of the Authority and the Exchange and provide all information and statements required by the Authority and the Exchange while ensuring that such information and statements are accurate and true.
9. With regards to the Sukuk Issued outside the State of Kuwait, a copy of the report of the external Sharia Audit Office or the legal opinion of the Sharia Audit Officer approving the issue and trading of Sukuk.
10. A legal opinion from the Issuer and Obligor's external legal advisor setting out all the cases or group of cases filed for or against the Issuer or Obligor that have a material effect on the financial position of the Issuer or Obligor, including amounts and details of such claims.
11. A detailed report on the assets of the Issuer or the Bond Assets or Sukuk Assets related to the indirect issuances, issued by its Auditor stating that these Assets have been valued in accordance with generally accepted rules and standards, and provisions of Appendix (1) "Minimum Requirements for the Valuation or Assessment of the Impairment of Assets" of Module Eleven (Dealing in Securities) of these Bylaws, the Authority may request a copy of these valuations.
12. Payment receipt of the Listing Application fees to the Authority.
13. Other documents required by the Authority from the Issuer, Obligor, Originator or Guarantor, as applicable.

Article 4-6

In the cases where the issuance of Bonds or Sukuk is guaranteed by the Government of the State of Kuwait or in such other circumstances as the Authority may decide, the Authority may grant exemptions and waive some or all of the requirements stipulated in this chapter.

Article 4-7

The Members of a Board of Directors and the Chief Executive Officer of the Issuer or Obligor - as applicable - shall be responsible for the contents of the Listing Application submitted to the Authority and the Exchange and the Listing Advisor shall be responsible for the completeness of information disclosed in the Listing Application.

In case of the Guaranteed Issue, the Guarantor shall be responsible for the contents of the Listing Application related to the Guarantor or the guarantee.

Article 4-8

The Issuer or Obligor - as applicable - or any other parties stated in this Article of this Chapter, shall be primarily responsible for satisfying the regulatory requirements for the approval of the listing of Bonds or Sukuk without the Listing Advisor being responsible for such task.

Article 4-9

In case of the Guaranteed Issue of bonds or Sukuk, the relevant guarantee shall be issued in conformity with the laws which are relevant to the Guarantor and in conformity with the Guarantor Company Contract and all authorizations needed for its issues under such laws shall have been duly given.

Article 4-10

Without prejudice to the listing requirements stipulated in this Module, the Convertible Bonds or Convertible Sukuk may be admitted to listing, only if the Shares of the same class into which they are convertible are already listed on the Exchange or an Exchange outside Kuwait under the supervision of a foreign authority with supervising competences.

Listing of the Bonds or Sukuk Issued by a Foreign Issuer

Article 4-11

A foreign Issuer applying for the listing Bonds and Sukuk shall be subject to the provisions of Chapter Three of this Module in addition to the following requirements:

1. The foreign Issuer of Bonds or Sukuk shall already be listed on an Exchange and subject to the supervision of a competent foreign authority. In case the foreign Issuer is a Special Purpose Vehicle Company and the Obligor or originator is registered in the State of Kuwait, this item shall not apply.
2. The Foreign Issuer shall provide an undertaking to publish its latest audited financial statements and business results on two daily Arabic newspapers prior to the commencement of trading of the Bonds or Sukuk on the Exchange. In case the Foreign Issuer is a Special Purpose Vehicle Company and the Obligor or originator is registered in the State of Kuwait, this Item shall not apply.
3. The Foreign Issuer shall appoint a legal representative in the State of Kuwait and one of the Licensed Persons by the Authority and assume duties of the Bonds or Sukuk registration, all financial obligations including periodic distributions of profits and redemption, receiving and submitting related required reports, and any other matters related to the Bonds or Sukuk.
4. Any other conditions or regulations stipulated by the Authority.

Article 4-12

Without prejudice to the listing requirements stipulated in this chapter, a Foreign Issuer shall submit to the Authority the following documents:

1. Certificate of listing of the Bonds or Sukuk in any Exchange in a jurisdiction other than the State of Kuwait. In case the Foreign Issuer is a Special Purpose Vehicle Company and the Obligor or originator is registered in the State of Kuwait, this Item shall not apply.
2. The documentation related to the appointment of the legal representative of the Foreign Issuer in the State of Kuwait.

Listing Units of Bonds or Sukuk in any non-Kuwaiti Exchange

Article 4-13

Issuers of Bonds or Sukuk listed in the Exchange may list Bonds or Sukuk in Non-Kuwaiti Exchanges only after obtaining the prior approval of the Authority.

Article 4-14

Delisting of Bonds and Sukuk from the Exchange

The Authority may cancel the listing of any Bonds or Sukuk listed on the Exchange in any of the following conditions:

1. If a final judgment or any resolution was passed to dissolve or liquidate the Issuer or Obligor.
2. If the Issuer or Obligor stopped practicing its licensed activities temporarily for more than a year.
3. If the Issuer or Obligor merges with another entity or person whereby such Merger leads to the termination of its corporate legal identity, or which includes the redemption of the issued Bonds or Sukuk, or the conversion of the whole or large part of the Bonds or Sukuk into a different form of Securities.
4. If there is redemption of all the listed Bonds or Sukuk before the final maturity date.
5. If there is conversion of all the listed Bonds or Sukuk into a different form of Securities.
6. If the Bonds or Sukuk are delisted in any regulated foreign Exchanges in outside the State of Kuwait.
7. If the Authority deems that delisting is necessary for protection of the investors or the maintenance of an orderly market.

Article 4-15

Voluntary Delisting of listed Bonds and Sukuk from the Exchange

An Issuer may apply for voluntary delisting in accordance with the conditions and procedures in the following order:

1. The Issuer shall announce the Board of Directors recommendation of delisting from the Exchange and specifying the reasons for such a decision.
2. Notifying the Bondholders or Sukukholders required to be withdrawn, and the Authority and the Exchange by a written notification providing prior to the date stated for the withdrawal from the listing. Such notice shall include a clear and adequate explanation of the following:
 - a. Its decision to delist.
 - b. The intended date and time of the delisting.
 - c. The nature of the events affecting the activities of the Issuer.
 - d. Any other information the Authority may request.
3. Submitting an undertaking to the Authority from the Issuer and Obligor guaranteeing payment of any amounts or liabilities due from the Issuer or Obligor - as applicable - to all the relevant parties for the listing period.
4. Providing the Authority with undertaking, in coordination with a Clearing Agency for payment of any liabilities on the company towards the Bondholders Association or Sukukholders Association including cash profits or returns.
5. Obtain the approval of two thirds of the Bondholders or Sukukholders to delist from the Exchange and deposit the approval with the Authority.
6. An Issuer shall obtain the Authority approval to delist from the Exchange, and shall announce it in the Exchange.
7. Announcing the specification of the date of delisting from the Exchange within a period than six months from the date of the Authority approval without suspension of Bonds or Sukuk during this period.

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

Application for Listing a Security in the Exchange in a Non-Kuwaiti Exchange

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.

(1) Information of the company

Company Name: ❖

Address of the company's permanent headquarters: ❖

(2) Information of the Listing Advisor

Name of the Listing Advisor: ❖

Liaison Officer:

Department:

Mobile No.:

Fax. no:

Tel No.:

E-mail

(3) Financial Details

The company's current issued and paid capital: ❖

Authorized capital: ❖

Number of Shares: ❖

Percentage of Shares to be listed in the foreign exchange: ❖

Number of shareholders registered in the share record: ❖

(4) Information of the Auditor

Auditor name: ❖

Mobile No.:

Fax No.:

Tel. No.:

E-mail:

(5) Information of the Legal Advisor

Legal Advisor name: ♦

Mobile No.:

Fax No.:

Tel. No.:

E-mail:

(6) List of documents required upon submission of the application

| S | Document | Enclosure | N/A | Review Status (Capital Market Authority only) | Remarks |
|-----|--|--------------------------|-----|---|---------|
| 1 ♦ | A study specifying the objective of listing in the Non-Kuwaiti Exchange along with the requirements, and its effect on the activity of the Issuer of the Security, and the obligations of listing, and a brief of the technical study including the objective of the listing in the Non-Kuwait Exchange, its privileges and anticipated risks, in addition to the procedures taken by the company to limit such risks. | <input type="checkbox"/> | | | |
| 2 ♦ | A certified copy of the ordinary general assembly's resolution approving the listing of the Security in the Non-Kuwaiti Exchange upon the request for approval, provided that the approval of the general assembly has not been more than one year. | <input type="checkbox"/> | | | |
| 3 ♦ | An undertaking of not disclosing any information to the Non-Kuwait Exchange before or at the same time of disclosing to the Exchange. | <input type="checkbox"/> | | | |
| 4 ♦ | An undertaking of abiding with providing the Exchange with all the requirements and details related to disclosure in the Non-Kuwait Exchange. | <input type="checkbox"/> | | | |
| 5 ♦ | Copy of Fees Payment Receipt of the Application. | <input type="checkbox"/> | | | |

Note: No application shall be admitted unless this form is completed, especially the mandatory fields marked with ♦. If none of the above documents are available, please notify the Authority with an official letter explaining the reason.

**Application Reviewer
(Capital Market Authority)**

Date /...../.....

Signature

| |
|--|
| |
| |

Stamp

Applicant

Date /...../.....

Signature

| |
|--|
| |
| |

Stamp

Appendix 2

Application for Voluntary Delisting of a Listed Company Shares from the Exchange

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.

(1) Information of the company

Company Name: ❖

Address of the company's permanent headquarters: ❖

(2) List of documents required upon submission of the application

| SR. | Document | Appendix | N/A | Review Status (Capital Market Authority only) | Remarks |
|-----|---|--------------------------|-----|---|---------|
| 1❖ | A letter from the company requesting delisting from the Exchange. | <input type="checkbox"/> | | | |
| 2❖ | Copy of the announcement of the Board of Directors recommendation of delisting from the Exchange and specifying the reasons for such a decision. | <input type="checkbox"/> | | | |
| 3❖ | Providing the Authority with the reasons of delisting from the Exchange. | <input type="checkbox"/> | | | |
| 4❖ | A copy of the minutes of the general assembly's meeting of approving the delisting, provided that the approval is certified by the concerned bodies and that not more than one year has passed since that approval. | <input type="checkbox"/> | | | |
| 5❖ | An undertaking from the company guaranteeing payment of any amounts or obligations due from the company to shareholders of cash dividends and bonus shares. | <input type="checkbox"/> | | | |
| 6❖ | An undertaking from the company in coordination with a Clearing Agency for payment of any obligations of the company towards the shareholders including cash dividends and bonus shares. | <input type="checkbox"/> | | | |
| 7❖ | Copy of Fees Payment Receipt of the Delisting Application. | <input type="checkbox"/> | | | |

No application shall be admitted unless this form is completed, especially the mandatory fields marked with ❖. If none of the above documents are available, please notify the Authority with an official letter explaining the reason.

**Application Reviewer
(Capital Market Authority)**

Date /...../.....

Signature

| |
|--|
| |
| |

Stamp

Applicant

Date /...../.....

Signature

| |
|--|
| |
| |

Stamp