

Resolution No. (11) of 2021 Regarding Amending Some Provisions 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

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. (4) of 2021 held on 03/02/2021; and
- Based on the public's best interest.

The Following Was Resolved:

Article (1)

Module Nine (Mergers and Acquisition) of the Executive Bylaws of Law No. (7) of 2010 is hereby amended pursuant to Annex (1) attached to this Resolution.

Article (2)

Clause "Firstly: Mechanism of Calculating Indirect Ownership of a Natural or Corporate Person" of Appendix (7) "Mechanism of Calculating Indirect Ownerships" of Module Nine (Mergers and Acquisition) of the Executive Bylaws of Law No. (7) of 2010 is hereby clarified pursuant to Annex (2) attached to this Resolution.

Article (3)

The concerned bodies shall execute this Resolution, each within its jurisdiction. This Resolution shall come into force from 30/6/2021, and it shall be published in the Official Gazette.

Prof. Ahmad A. Al-Melhem

Issued on: 08/02/2021

Annex No. (1)

#	Module	Chapter	Article	Amendment Type	Before Amendment	After Amendment
1	Nine	Three	(3-1-19)	Adding an Article	-	Mechanism of Calculating Indirect Ownership For the purposes of implementing the provisions of this Module, the following cases shall be considered as indirect ownership, unless proven otherwise: 1. Ownership of a <u>Person</u> , or the <u>Investment Portfolio Manager</u> , or the <u>Fund Manager</u> , or the indirect contractual collective investment scheme manager that leads to <u>Effective Control</u> over the <u>Listed Company</u> . 2. Ownership of a <u>Person</u> through a <u>Group</u> or <u>Associate</u> or <u>Subsidiary</u> companies in the capital of a <u>Listed Company</u> . 3. A <u>Person's</u> ownership under <u>Investment Portfolios</u> .

					<p>4. The ownership of the <u>Investment Portfolio Manager</u> with the clients of these portfolios, if the <u>Investment Portfolio Manager</u> uses the voting rights of the <u>Shares</u> in these portfolios.</p> <p>5. The ownership of the <u>Fund Manager</u> in the <u>Listed Company</u> in which the <u>Fund</u> invests, and the <u>Group</u> is linked with the <u>Fund</u>, in case the <u>Group</u> did not adopt the <u>Chinese Wall</u> method between the <u>Fund</u>, the <u>Fund Manager</u> and the <u>Group</u>.</p> <p>6. The ownership of the contractual collective investment scheme manager in the <u>Listed Company</u> in which the <u>Contractual Collective Investment Scheme</u> is invested, and the <u>Group</u> associated with the <u>Collective Investment Scheme</u>, in case the group did not adopt the <u>Chinese Wall</u> method between the <u>Contractual Collective Investment Scheme</u> and the <u>Scheme</u></p>
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						<p><u>Manager and the Group.</u></p> <p>7. All that is related to the <u>Person</u> through ownership or joint management of any legal entity, allowing him to use voting rights in the capital of the <u>Listed Company.</u></p> <p>8. Any other cases decided by the <u>Authority.</u></p> <p>Indirect ownership is calculated according to the international accounting standards stipulated in the mechanism established in Appendix No. (7) “Mechanism of Calculating Indirect Ownership” of Module Nine (Mergers and Acquisitions) of these <u>Bylaws.</u></p>
2	Nine	Three	(3-5-3)	Amending Article	Provisions of mandatory acquisition stipulated in this module shall apply on the <u>Person</u> or any of its subsidiaries or persons with whom they are <u>Acting in Concert</u> with, as a result of the ownership of the <u>Person</u> , its subsidiary and those <u>Acting in Concert</u> with it, directly or indirectly,	Provisions of mandatory acquisition stipulated in this module shall apply on the <u>Person</u> or any of its subsidiaries or and persons with whom they are <u>Acting in Concert</u> with, as a result of the ownership of the <u>Person</u> , its subsidiary and those <u>Acting in Concert</u> with it, directly or indirectly,

					<p>subsidiary and those Acting in Concert with it, directly or indirectly, of a collected percentage that exceeds 30% of traded Securities of a Listed Shareholding Company.</p>	<p>of a collected percentage that exceeds 30% of traded <u>Securities</u> of a <u>Listed</u> Shareholding <u>Company</u>. Indirect ownership is calculated according to the cases mentioned in the Mechanism of Calculating Indirect Ownership stipulated in Article (3-1-19) of this Module, and the accounting standards mentioned in Appendix No. (7) of “Mechanism of Calculating Indirect Ownerships” of this Module.</p>
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Annex No. (2)

Appendix No. (7) “Mechanism of Calculating Indirect Ownership” of Module Nine (Mergers and Acquisitions)

First: Mechanism of Calculating Indirect Ownership of a Natural or Corporate Person

