

Disclosure Regulation

**Issued by the Board of Directors of the PSE in its Fourth Session
on 3/8/2006**

**Approved by the Board of Directors of the Capital PSE Authority
in its Twentieth Session on 18/12/2006
(Resolution No. 5/20)**

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Chapter One

Definitions and General Provisions

Article (1)

Law: The Securities Exchange Law No (12) of 2004 as amended and includes the regulations issued pursuant thereto.

The Authority: means the Palestinian National Authority

The CMA: means the Palestine Capital Market Authority

The PSE: means the Palestine Securities Exchange, including the CDS (Clearing, Depository, and Settlement Center). It is a secondary market where listed securities are traded. This market will be two-tiered: First and Second.

Board of Directors: means the Board of Directors of the PSE.

Chief Executive: means the Chief Executive of the PSE.

Securities: means the shares and bonds issued by the Authority or public institutions or municipalities or public shareholding companies or any securities that may be traded pursuant to this Law.

Holding Company: means a company that owns enough voting stock in another company to control management and operations by influencing or electing its board of directors. also called company. This

Subsidiary Company: means a company for which a majority of the voting stock is owned by a holding company.

Affiliated Company: means a company in which another company has a minority interest. This is not a translation issued but a change in the definition from the original text.

Issuer: means the party that issues securities or announces its intent to issues securities.

Control: means direct or indirect ability to affect the acts and decisions of another person and control is deemed actual when a person owns more than 50% of the shares of the company.

Public: means Persons who are affected directly or indirectly, by the financial and investment activities carried out at the PSE.

PSE Rules: means the rules issued by the PSE and approved by the CMA, including the instructions, resolutions, guidelines issued by the PSE pursuant to these Rules.

Related Party: any employee, who enjoys a management position in a company or enjoys signature power on behalf of such company, or an insider who has access to material information that affects the price of the securities of such a company or the auditor of such a company or any of its founding members or members of the board of directors, or a person who holds, directly or indirectly, 10% or more of the capital of such a company. A related person also includes share held by a relative up to the second degree of the shareholder or over 50% of shares hold through a company owned by this related party or any of his relatives of the first degree.

Member company: means the securities company licensed by the CMA and member of both the PSE and the Clearing, Depository, and Settlement Center.

Operating Member Company: means the company licensed by the CMA and duly registered at the PSE as a member, and who has met the requirements stipulated in Article (6) of the Membership Rules and who has maintained continued business activities without any partial or complete interruption.

Listed company: means any public shareholding company listed at the PSE, after having obtained a license to issue the prospectus from the CMA, whether a Palestinian or foreign company.

Investors: Persons who trade or wish to trade in securities, whether through sale or purchase.

Disclosure: the release of relevant information and/or material events or such information that concerns investors or future investors and the public which affect or could affect the price of securities.

Material events: Any important event likely to affect the profitability of the company or its financial position or the price of its issued securities, or the decision of any person to engaging in trading of securities.

Insider Trading: means the use of insider information by either insiders or other non-insider persons who become aware or have knowledge of such information to achieve financial and non-financial gain directly or indirectly.

Insider information: means information that has not been made public and which affects or may affect the price of any security once such information becomes public.

Insiders: means the persons who have access to insider information or material events by virtue of their positions or business involvement or ownership of securities or direct or indirect relation to a person who is in possession of such information, and this includes the management of the company and its employees, consultants and auditors and insiders at the market.

Tender Offer: means the offer made by a person to purchase 10% or more of the securities of the issuer.

Major Trade: means the trade through which the acquisition or conveyance of the major assets of the listed company to a related party is made.

Share: The share through which a shareholder subscribes in the capital and represents the rights in the company as specified in applicable legislation and the company's by-laws.

Transitional Period: means the period that stretches - when the company changes its fiscal year - from the end of the previous fiscal year until the beginning of the new fiscal year.

Article (2)

1. The provisions of these Rules apply to the following:
 - a. Listed companies and the companies applying to list their securities.
 - b. Insiders and related parties.
 - c. Member securities firms and those firms applying for membership.
 - d. The PSE.
 - e. The provisions of these Rules prevail without derogating from the Law and the PSE rules **and the instructions issued pursuant thereto.**
2. Listed companies shall disclose their financial statements in the currency of the registered capital.

Article (3)

1. For the purpose of implementing these Rules and applying their provisions, companies listed on the PSE shall conduct themselves as follows:
 - a. Disclose to the PSE un-audited financial statements prepared by the internal auditor, and as soon as practicable within a forty-five (45) day period from the date of the end of the fiscal year of the company.
 - b. Disclose to the PSE the annual financial statement audited by the companies external auditor, as part of the Annual Report, within a maximum period of three (3) months from the date of the end of the fiscal year of the company.
 - c. Disclose to the PSE semi-annual financial statements by preparing a semi-annual report within a maximum period forty-five (45) days from the lapse of the company's fiscal year reviewed by the company's auditor.
 - d. Disclose to the PSE periodic (quarterly) financial statements prepared in accordance with International Accounting Standards, within a maximum period of one month from the lapse each quarter provided that it is reviewed by the company's internal auditor, if available. Excepted from this shall be the final report (end of fiscal year report), which shall be have been issued as a final report pursuant to paragraphs a and b of this Article.
 - e. In the event the company changes its fiscal year, it shall disclose to the PSE a financial statement covering the transition during a forty-five (45) day period from the lapse of that period.
 - f. Upon the occurrence of material events or major occurrence that might affect the profitability of a listed company or its financial position or the price of its issued

securities, it shall immediately notify the PSE of such events or matters within a maximum of one day from the date of occurrence.

g. Disclose the dates of the meetings of the board of directors and that of the general assembly.

2. Disclosure of information referred to in the previous paragraph, shall be made as specified in Article (10) of these Rules

3. The listed company shall prepare its financial statements in accordance with International Accounting Standards, and if any provision of these Standards conflicts with any prevailing legislation in Palestine, then the provisions of the Law and the CMA instructions shall prevail.

Article (4)

For the purpose of implementing these Rules and their provisions, insiders and related parties must undertake the following:

1. Disclose to the PSE any sudden change to their respective ownership in the listed company.

2. Inform the listed company of the information that they are respectively obligated to disclose pursuant to the previous paragraph.

Article (5)

1. For the purpose of implementing these Rules and their provisions, securities companies that are members of the PSE shall undertake the following:

a. Prepare an annual report within a period not exceeding three (3) months from the lapse of the fiscal year of the member company and disclose same to the PSE.

b. Prepare a semi-annual report audited by the internal auditor for the member company, within a period not exceeding one month from the lapse of the fiscal year and disclose same to the PSE.

c. The disclosure referred to in the previous paragraph, shall be made as specified in Article (75) of these Rules.

3. A member company shall prepare its financial statement in accordance with International Accounting Standards, and if standard conflicts with prevailing Palestinian legislation, the prevailing legislation shall supersede. In this instance, such conflict shall be disclosed and a note clarifying the effect on the financial statements shall be made.

Article (6)

For the purpose of implementing these Rules and their provisions, the PSE shall undertake the following:

1. Request the financial statements which must be disclosed by the listed companies in the event of delay in submission from specified dates.
2. Verify the financial statement submitted to the PSE and compare it to other financial statements already submitted whether interim or year-end.
3. Provide an overview of the company's financial statement through financial indicators that explain the activities and financial position of the company.
4. Monitor any breaches committed of these Rules by the listed company or a member securities company or a company applying to list, and take the necessary measures as stipulated in these Rules or other PSE rules, especially the Conflict Resolution Rules.
5. Verify and confirm that the disclosure of information and/or material events required to be made by listed companies and member company is made pursuant to these Rules.
6. Ensure that information deemed confidential is safeguarded and prevent access except to those persons authorized pursuant to the provisions of the Law and these Rules and the rules of the PSE.

Article (7)

1. It shall be prohibited for issuers and member companies to disclose or publish data or information deemed inconsistent with actual facts and the status of the company, and in any event, any material or information published by the issuer or the member company must be made through documents supplied to the PSE upon request.
2. The PSE may require the issuer to make public any of its information or data, the PSE is further entitled to make public such information and data at the expense of issuer.

Chapter Two Disclosure By Listed Companies and Companies Seeking Listing

Article (8)

1. Listed companies are obligated to disclose to the PSE every information and/or material event that might affect the valuation of their securities listed at the PSE; the disclosure must be accurate and non-misleading to investors and the public, especially when disclosing through press conferences or through the media.
2. Failure by listed companies to reveal any financial statements or information and/or material events that might affect the valuation of their listed securities shall be prohibited.
3. It shall be prohibited by a listed company to supply any financial statements and/or material information that affect its status or financial position, especially to financial advisors or

investment advisors or any other party prior to disclosure to the public pursuant to the disclosure provision stipulated in these Rules.

4. Employees of the PSE may have sight of the listed company's documents on site and the company's staff shall enable those employees to perform their duties and shall make available all papers and/or data and/or documents as requested by these employees.

Article (9)

1. Disclosure of the information and/or material events shall be made by the listed company immediately and no later than one working day from the adoption of a resolution or of holding any election or having knowledge or the occurrence of a major event that might affect the price of the listed security.

2. Any studies made by the listed company to forecast profits or sales and which are designed to be published, shall be furnished to the PSE immediately when completed and adopted in final form.

3. Annual, semi-annual, and quarterly reports shall be disclosed in accordance with the dates specified in these Rules.

Article (10)

The PSE shall be duly furnished with any piece of information and/or any material event and the listed company shall publish same as deemed appropriate by the PSE taking into consideration of the provisions of the Law.

Article (11)

1. Information disclosed pursuant to these Rules must be accurate and reliable.

2. Disclosure must be made in the Arabic language, and the listed company may, after obtaining the approval of the PSE, disclose in the English language in addition to the Arabic.

Article (12)

A listed company shall not refrain from disclosure, otherwise it shall face the penalties stipulated in the Law and rules of the PSE.

Article(13)

Listed companies shall furnish the PSE with annual reports and prospectuses, and any other information which they are required to provide, by Law, to their shareholders or they shall make them available at their premises immediately when such information and/or material events are made public.

Article (14)

Listed companies may provide the PSE with information and/or material events by facsimile or any other electronic means approved by the PSE.

Disclosure Upon Listing Article (15)

1. Each company applying to list any of its securities shall disclose the following:
 - a. The last annual report of the company inclusive of all audited financial statements prepared in accordance with International Accounting Standards, and which shall include the auditor's report and the notes.
 - b. All the periodic reports (semi-annual and quarterly) that the company has prepared after the last annual report, provided that these semi-annual reports are audited by the internal auditor of the company, if available, and the independent external auditor.
 - c. Any other information and/or material events that might affect the price of securities to be listed, and which were in the reports referred to in the previous two paragraphs.
 - d. Any information and/or material events concerning the securities to be listed that specify their type, class and number, and underlying rights.
2. Disclosure of information and/or material events stipulated in the previous paragraph shall be made in accordance with the consolidated financial report and its appendices.
3. The company, which obtained the approval for listing its securities, shall, within ten (10) days from the date of listing, publish a summary of the information and/or material events stipulated in paragraph (a) of this Article in two widely circulated daily newspapers published in the Arabic language.

Year-end Disclosure

Article(16)

1. At the end of the fiscal year, the listed company shall disclose the following to the PSE:
 - a. Year-end Preliminary Financial Statement
 - b. Annual Report
2. The disclosure of information contained in the previous paragraph shall be made pursuant to rules on financial disclosure and reporting issued by the PSE and approved by the CMA.

Year-end Financial Statements

Article 17

- a. The listed company shall disclose the following to the PSE:

1. A copy of the year-end financial statements audited by the internal auditor as submitted to the board of directors for approval supplied within forty-five (45) days of the end of the company's fiscal year.
 2. Approximate date for the publication of the annual report.
 3. The site where the annual report shall be displayed for viewing by the public.
 4. The proposed date for the annual ordinary general assembly meeting.
- b. Disclosure as stipulated in paragraph (a) shall be made immediately upon submission to the board of directors for approval within forty-five (45) days of the end of the company's fiscal year. Simultaneously, the listed company shall supply the E-Disclosure form approved by the PSE.

Annual Report

Article (18)

1. The annual report shall be prepared in accordance with International Accounting Standards.
2. The annual report must show any variations from the preliminary unaudited financial statement submitted to the board of directors as stipulated in article (17) (a) (1) above.
3. The audited annual report shall be submitted to the PSE within three (3) months of the end of the company's fiscal year.

Article (19)

Without derogation from the provisions of the Rules, the annual report must include, but not limited to the following information in addition to any other information required by the PSE:

1. Business activities of the listed company.
2. Future outlook.
3. Research and development.
4. Board of directors and executive management.
5. Property assets.
6. Legal proceedings and litigation.
7. Investment and risk policy.
8. Matters tabled for voting by a class of any given securities class.
9. Nature of trading market and its volume.
10. Control over the listed company.
11. Shares and their returns.
12. Financial position.
13. Auditors.
14. Employment contracts of members of the board of directors and the executive management.
15. Major transactions related parties.
16. Manner for delivery of information to the shareholders.

Article (20)

With respect to the business of the listed company as stipulated in article (19) (1), the annual report must include the following:

1. The business activities of the listed company and that of any of its related companies or subsidiaries, including the following, to the extent required to obtain knowledge of the business of the listed company:
 - a. The change that has impacted the company's business in general for two past consecutive years (or for the duration of its existence as a listed company if it has existed for less than two years), such as declaration of bankruptcy or merger or disposition of one of the core assets or the provision of new services or products.
 - b. The most important current and future trends which are related to the development of the listed company's business during the current fiscal year and the next one.
2. The basic products or services provided by the listed company, the market and the main distribution channels.
3. The products or services which the listed company announced that it will provide to the public.
4. The extent to which the nature of the listed company business is seasonal.
5. Total sales and income for the past two fiscal years (or for the duration of the existence of a listed company if it has existed for less than two years) arranged by types of activity of the listed company and by the market in accordance with International Accounting Standards.
6. The nature and type of intellectual property owned by the company or which it will own and the impact on the financial position of the company.
7. A description of any laws or decisions issued by the Palestinian or foreign governments or other government, once known to the listed company, that have a material impact on the business of the listed company or its products or services, or its competitiveness. In the event the listed company has a certificate of quality, it must demonstrate its compliance with international quality standards.
8. Any interruption in the flow of the listed company's business during the previous period that might have a material impact on the financial position of the listed company.
9. A statement of donations and grants paid by the listed company during the fiscal year, broken down by recipient.
10. Contributions of the listed company in support of local community in terms of social responsibility.
11. Abide by the Corporate Governance Rules.

Article (21)

With respect to the listed company's forecast for its future business activities, the annual report shall include the following:

1. The activities that the listed company plans to undertake, especially its forecast for the development of its business during the current fiscal year at least.
2. In the event the listed company has not earned any income from the operations that it carried out over the past two fiscal years (or for the duration of the existence of the listed company if it has existed for less than two years), it must, at minimum, provide the information through a strategic plan and its operations for the current fiscal year.
3. A description of the company's contribution in other companies in Palestine or outside, specifying the percentages and any change thereof (periodically where necessary) and the impact on its financial position.
4. A description of the operations and activities outside Palestine (periodically where necessary) and the impact on its financial position.

Article (22)

With respect to research and development, the annual report shall include the following:

1. The policy of the listed company concerning research and development to supply new products or services for the past two fiscal years (or for the duration of the existence of the listed company if it has existed for less than two years).
2. The expenses incurred by the listed company in research and development and those expected to be incurred until the completion of research and development

Article (23)

With respect to employees of the listed company, the annual report shall state their number.

Article (24)

With respect to the property, the annual report shall include a reference to their location, size of the area, and description of the major assets of the listed company.

Article (25)

With respect to legal proceedings and litigation, the annual report shall include a reference to all major legal proceedings where the listed company is a party, whether reviewed before a judicial or arbitration panel which shall be identified by name, and the dates of the proceeding

before it shall be stated as well as the identity of the parties involved, and the subject of the claim and the venue.

Article (26)

1. With respect to investment policy, the annual report shall include reference to the major investments made by the listed company for the past two fiscal years (or for the duration of the existence of the listed company it has existed for less than two years) and for those months that have lapsed from the current fiscal year, and the major investments that the listed company intends to make and the investment risks.

2. Disclosure of information referenced in the preceding paragraph shall be made in accordance with the E-Disclosure form.

Article (27)

With respect to the issues that require the vote of any class of the any classes of securities, as stipulated by applicable law, the annual report must include the following:

1. The date of the meeting, and whether the meeting is an ordinary or extraordinary.
2. The nature of the issue that was subject to vote and the outcome of voting.
3. In the event the meeting concerned the election of board members, all those newly elected or those re-elected shall be expressly named.

Article (28)

With respect to the nature and volume of trading at PSE, the annual report shall include a statement about the nature and volume at all markets where any class of the classes of the listed securities are traded, and the highest and lowest selling prices of the security at these markets shall be stated for that accounting period (every three months) and for the past two fiscal years (or for the duration of the existence of the listed company if it has existed for less than two fiscal years), and for later period covered in the financial statements.

Article (29)

1. With respect to control over the listed company, the annual report must include reference to the extent of control of any shareholder over the listed company, especially with respect to the following:

- a. In the event the listed company belongs to a particular group, the group must be identified and the listed company's financial position and percentage of holdings in the other companies.
- b. Persons (natural or legal) who control or may control a listed company, whether directly or indirectly, and be it through an individual or a group, with an indication of the form and nature of such control. All shall be made to the extent that the listed company has knowledge.

c. Any arrangements that may lead in the future to change in control over the listed company and to the extent known to it.

d. Persons (including a member of the board directors), who owns, either directly or indirectly, either individually or through group, no less than 10% of any class of securities of the listed companies.

e. The criteria by which the listed company ensures its compliance with the requirements for disclosure and a list thereof.

2. For the purposes of the preceding paragraph, "control" means the majority of ownership of the securities of the listed company or a majority of the voting rights or the ability to appoint board members representing a majority in the meetings of the board directors.

Article (30)

With respect to the securities and their returns, the annual report shall include the following:

1. The number of shareholders in the company, and the number of shares and the names of shareholders who own more than 5% of the shares of the company and basis for calculation.

2. Estimated return of each security of the securities of the listed company for past two fiscal years (or for the duration of the existence of the listed company if it has existed for less than two years).

Article (31)

With respect to the financial position, the annual report shall include reference to the assets and liabilities of the listed company and its financial position and its profits or losses, and in particular the following:

1. The financial statements as prepared for the past two fiscal years (or for the duration of the existence of the listed company if it has existed for less than two years) and for each other fiscal year whose inclusion is necessary to ensure that the financial statements are not misleading:

a. Net sales and revenues from ordinary operations.

b. Profits (or losses) for ordinary operations for each common share.

c. Cash returns per common share.

d. Balance sheet, including total assets and long-term liabilities and the preferred shares that maybe redeemed.

e. The data referenced above shall be disclosed in accordance with the E-Disclosure form.

2. The rate for currency exchange that was applied in the financial statements for the USD or the Jordanian Dinar, with a reference to its source, which must be either the Palestinian Monetary Authority or a well-known bank.

3. Management's assessment of the financial position of the listed company and changes that have occurred and the results of the operations performed by the listed company for each year, and in particular the following:

- a. Surplus of working capital, indicating its internal sources and unused cash and the factors that lead to its increase or decrease and the procedures that the listed company took or plans to take in the latter case to avoid a shortage.
- b. Sources of working capital, with an indication of anticipated changes and the cost of capital.
- c. The results of operations, with an indication of all the changes that clearly affected the income generated from ordinary operations, and changes that may affect the net sales and revenues of the ordinary operations and in the event of increase in the sales and returns a statement about the underlying reason for the high prices or increase the size of products or services provided or to provided or the provision of new products or services, and a description of the impact of inflation and price fluctuation on the net sales and revenues of the listed company and the profit from ordinary operations.

4. Detailed financial data of the previous two fiscal years (or for the duration of the existence of the listed company if it has existed for less than two years), and in particular:

- a. Balance Sheet in a comparative table.
- b. Income in a comparative table.
- c. Cash flow Statement in a comparative table.
- d. Independent Auditors' reports.
- e. Notes to the financial statements.
- f. Statement of common shares.
- g. Profit (or loss) net of tax, resulting from each operation for each security.
- h. Returns on each security.
- i. The names of the companies that the listed company has ownership a minimum of 10% of the capital and which can directly affect the valuation of the assets of the listed company and its financial position and its profits and losses, as well as the amount of the capital share in these companies and the nature of business of these companies and the capital of the listed company and its reserves and the amount of profit (or loss) net of tax, derived from ordinary operations during the last fiscal year, and the value of the securities of these companies as they appear in the accounts of the listed company and the amount which was paid for them, and the amount of returns resulting from these securities during the previous fiscal year, at minimum, and the volume of debt of the listed company or that debt of those companies for which the listed company might be liable.
- j. Disclosure of the data referenced above shall be in accordance with the E-Disclosure form.

Article (32)

With respect to the auditors, the annual report must contain the names and addresses of the auditors who audited the financial statements of the listed company, in the event the company challenges these statements or makes any suggestion to amend them, the reasons must be stated.

Article (33)

1. With respect to the management, the annual report shall include reference to the management and monitoring provided over the listed company, and in particular the following:

- a. A list of board members and executive management and senior staff of the listed company, with an indication of the post held by each of them and the term thereof.
- b. The nature of relationship by birth or marriage among and between the members of the Board of Directors and executive management, and whether any of them has business relationship with the listed company.
- c. Leadership positions held (or currently held) by any of them at any other company.
- d. A statement about the leadership positions currently held by any member of the board of directors and executive management with any other company, in particular, indication as to whether any of them is a board member of any other listed company.
- e. A statement concerning the declaration of bankruptcy of any board member or any of the executive management or any legal action brought against it or whether a judgment or judicial order has been issued which precludes the performance of any management activities or to conduct any activities during the past five years.
- f. Total bonuses received by the board of directors and the executive management of the listed company, including outgoing members of the board of directors and the executive management that departed during the last fiscal year, in return for their services during that year, without reference to their respective names. Bonuses in this paragraph mean every thing that any member of the board of directors or any of the executive management received directly have, such as salaries, fees, or indirectly, such as loans and guarantees.

2. Disclosure of data referenced above shall be made in accordance with the general information form (see Annex to these Rules).

Article (34)

With respect to employment contracts, the annual report shall refer to the terms of the contracts entered into between the listed company and the members of the board of directors and the executive management and, in specific, those that provide any waivers or limitations on the liability of a member of the board of directors or the executive management, even if such terms reflect the provisions of the by-laws of the listed company.

Article (35)

With respect to major transactions and the parties involved, the annual reports shall include reference to these major deals and relation to related parties, in particular the following:

1. Major transactions undertaken by the listed company during the previous two fiscal years (or for the duration of the existence of the listed company if it has existed for less than two years) and the transactions that it intends to undertake in the near future and the related parties, whether directly or indirectly, and their names which shall be mentioned with a clarification as to the nature of relation with the listed company and the value of the transaction involving the related party.

2. The name of the related party indebted to the listed company, or who has received a benefit from any guarantee whose value exceeded Five Thousand (5000) Jordanian Dinars or the equivalent in a currency in circulation which was offered by the listed company from the beginning of the lapsed fiscal year, as well as the nature of the relation that connects this party to the listed company and for which the debt or guarantee was provided, and the underlying transaction and the interest rate charged for the debt or the guarantee.

3. If the event the listed company was established during the past five fiscal years, the names of the founders shall be stated including the nature and amount of consideration received by each founder of the listed company either directly or indirectly, as well as the nature and amount of assets or services or return or other consideration received or will be receive from the listed company with a statement about the estimated value of the assets and valuation criteria and the names of the person who made the valuation and the degree of their relation to the listed company, and in events of acquisition by the founder of these assets during the past two years prior to transfer to the listed company, the cost of obtaining such assets shall be stated.

Article (36)

The annual report must include reference to the form and method through which the listed company provides shareholders with information, and shall specify the location and address where such information may be obtained from the company, whether electronically or through a website or the company's offices, where the printed matter is located.

Disclosure throughout the Fiscal Year Periodic Reports (Quarterly and Semi-annual)

Article (37)

1. Quarterly reports shall include reference to the financial statements for the following:

- a. The Balance Sheet.
- b. Income Statement, including net profit or loss for each security.
- c. Cash Flow Statement.
- d. Disclosure of information mentioned above shall be made accordance with the E-Disclosure form.

2. Quarterly reports shall include at least the following data:

- a. The actual number of securities at the end of the quarter.
- b. Management.
- c. The changes of the management of the listed company, or its auditors, or its control, or its activities or its core business.
- d. Acquisition of any of the major assets of the listed company listed, or disposition thereof.
- e. Any major legal action.
- f. Any upward or downward change in the basic price of a security or any or debt.
- g. The major decisions taken by the holders of any security.

h. Any events or other information that the listed company believes is important for the holders of securities.

Article (38)

1. The audited semi-annual financial report shall include the following financial statements:

- a. Balance Sheet.
- b. Income Statement.
- c. Statement of Changes in Equity.
- d. Cash Flow Statement.
- e. Notes to the Financial Statements.

2. The semi-annual reports, shall at least, include the following data:

- a. The actual number of securities at the end of the semi-annual period.
- b. Management
- c. The changes of the management of the listed company, or its auditors, or its control, or its activities or its core business.
- d. Acquisition of any of the major assets of the listed company listed, or disposition thereof.
- e. Any major legal action.
- f. Any upward or downward change in the basic price of a security or any or debt.
- g. The major decisions taken by the holders of any security.
- h. Any events or other information that the listed company believes is important for the holders of securities.

3. Disclosure of periodic reports (quarterly) to the PSE shall be in the form of a comparative table distinguishing previous from most recent accounts prepared by the internal auditor of the company. The reports shall reflect whether such report was reviewed or audited by an external auditor, and the results of such a review or audit.

a. Disclosure of semi-annual reports made to the PSE shall be in the form of a comparative table distinguishing the previous from most recent audited accounts and certified by an external auditor.

b. Disclosure of information stipulated in the two previous paragraphs shall be made in accordance with E-Disclosure form approved by the PSE.

Continuous Disclosure of Material Events

Article (39)

The listed company shall disclose to the PSE material events, and shall include all facts and information that bear on its business, management and financial position during the fiscal year, and the direct or indirect impact on the price of the securities of the listed company during a maximum period of one working day from the date of its knowledge of these facts or information.

Article (40)

1. The listed company shall disclose to the PSE any notices, reports or publications sent to shareholders within a period not exceeding three (3) working days from the date of mailing.
2. The listed company shall, immediately before the beginning of trading session that follows the meeting of the general assembly meeting, disclose to the PSE any resolutions made such as resolutions concerning the return on shares or any sudden changes to the board of directors or auditors.

Article (41)

1. In the event the listed company plans to issue new securities, it shall so disclose to the PSE, giving reasons for the issuance and its terms persons directed to.
2. The listed company shall provide the PSE with a prospectus when it sends to the parties where the subscription will take place.

Article (42)

The listed company shall disclose to the PSE at the time it applies to another market to list any of its security and supply a copy of the ruling of that market with respect to the application, and shall immediately provide to the PSE any information supplied to the other market that affects the price of the security.

Article (43)

1. The listed company shall disclose to the PSE within a maximum of one working day any change that has occurred concerning the board of directors or auditors or the general manager or the executive management or its authorized signatories or any change in ownership of the shares of the founders, within no later than one business day.
2. The listed company shall disclose to the PSE, immediately, the resolutions of the board of directors which affect the prices of securities, and no later than one business day from the date of the resolution.

Article (44)

If the listed company decided to enter into a major deal with a related party it must disclose its decision to the PSE no later than one business day from the date of such a decision. The listed company shall disclose each major deal it intends to, jointly with the related party, enter into with a third party.

Article (45)

If the business of the listed company changes materially or if it stops operating one line of business, it shall so disclose to the PSE and demonstrate its effect, as soon as possible, but no later than one business day from the date of the change or termination of the line of such business.

Article (46)

1. The listed company shall disclose to the PSE immediately any material events including the following, but not limited to:

- a. Extraordinary operations.
- b. Natural disasters and their impact.
- c. Sudden losses
- d. Judicial proceedings that will affect, positively or negatively, the future of the company and the result of activity and financial position.
- e. Change of the registered address of the listed company or its telephone and facsimile numbers.
- f. Structure of the capital showing any percentage that exceeds 10% of the capital, and this applies to subsidiaries in the event that the shares of the holding company are listed on the PSE.
- g. Any proposed new issue of bonds, and any guarantees or pledges related to it.
- h. Any decision that results in redemption or cancellation of bonds previously issued by the listed company.
- i. Any changes in the structure of financing or financial position of the listed company that result in an increase in the volume of the company's obligations or shareholder equity and any restrictions imposed on the volume of borrowing available to the company.
- j. Any intention to sell any part of the shares of any shareholder who holds more than 10% of the shares of the listed company that have an impact on the price of the securities.
- k. Participation of strategic investors for the purchase of any stake in the listed company.

l. The issuance of any administrative or governmental decisions that affect the activities of the listed company and any amendment or withdrawal or cancellation of these decisions.

m. Studies made by the listed company for the purpose of publishing forecasts about profits or sales, shall be disclosed within a maximum of one working day from the date of preparation and final adoption. If circumstances later change to such an extent that the results will be completely different from the forecast, it shall immediately disclose the change and no later than one business day from the date of learning of this change.

2. The disclosures shall be made within one business day from the date of the occurrence of any of the events mentioned above. The listed company shall conduct itself with due care to ensure that any facts or information disclosed is accurate and no not misleading and that it has left out, deleted or concealed any event that affects the content of such facts or information.

Article (47)

1. The listed company shall, with respect to issues that are subject to negotiations, supply written proof specifying the persons who have information about these negotiations, if the listed company believes that there is an information leak concerning the negotiations, it shall immediately inform the PSE.
2. Those concerned that become insiders and receive information in secret shall refrain from trading of the securities of the listed company until such information becomes available to the public.
3. A company must provide the PSE with any details required with respect to these persons especially their names as stipulated in this article.

Article (48)

If the listed company's wants to announce to the shareholders during the general assembly about certain information that could cause a significant effect on the price of listed shares, the company must take the necessary measures to inform the PSE , in order to prevent having such information become available to the shareholders at the meeting prior to its publication on the trading screens.

Article (49)

Publication of material events shall be made in coordination between the listed company and the PSE to prevent publication during trading hours unless that piece of information requires immediate publication, and in such a case, trading of that security shall be halted for a period of time specified by the CEO provided that is does not exceed one hour.

Article (50)

Insiders and related parties who are in a position to access information which is otherwise unavailable to others and which affect the price of the security, or any sale or purchase therefore shall be prohibited without contravening any restrictions imposed by Law or the rules the PSE.

Article (51)

The listed company shall adopt the internal control procedures that mandate related parties and insiders to inform the PSE of any sale or purchase transactions of the shares or bonds or other securities of the listed company which they make, twenty-four hours at most from the date of such transactions and the PSE shall publish this information on the trading screens and in the periodic bulletin.

Information Provided to the PSE

Article (52)

1. If the report of the auditors supplied to the board of directors under Article (17) (a) (1) of these Rules includes a sharp criticism which will affect the price of the securities of the listed companies listed, this company must provide the PSE within one working day a copy of the report.
2. The listed company may not disclose the specific data if the board of directors has reasonable grounds to believe that disclosure of such data will lead to serious harm to its interests, and it shall disclose whether its members of the board and executive management intend to trade its shares, directly or indirectly, before becoming available to the public, or whether they shall refrain from trading; the listed company shall provide the PSE with this information, data, and shall request that same would be treated on confidential basis until the causes are nullified. The PSE in coordination with the CMA shall comply with this request or shall require the company to disclose the data and information.

Article (53)

1. With respect to a tender offer whereby the listed company offers to acquire no less than 10% of any security of another company, the listed company shall inform the PSE immediately of its decision to start negotiations this tender offer or once negotiations actually start or when the decision to make this tender offer is made.
2. Every person, who makes a tender offer to acquire no less than 10% of any listed security, shall submit to the PSE a detailed report before the tender offer and shall inform the public of its terms and the time period for which the offer shall remain open and the guarantee that the buyer shall provide to ensure that its obligations are fulfilled.
3. If the issuer knows that there a tender offer for no less than 10% of any of its securities which has not been made public yet, it shall inform the PSE immediately and no later than one working day of having knowledge.

Article (54)

When a listed company plans any change of the following:

- a. Its name or in the capital or in any other provision of its bylaws or articles of incorporation,
 - b. The par value of the shares of the company or any decision to distribute bonus shares or to split its shares or a similar act,
 - c. Movable or immovable property or mortgages, guarantees or encumbrances,
- it shall send these changes to the PSE at the same time it notifies its shareholders and informs them of its intent to discuss them. The listed company shall supply to the PSE a copy of the shareholders decision concerning the change or any amendment thereof.

Chapter Three

Disclosure By Insiders And the Related Parties

Article (55)

The listed company shall notify the PSE of the internal procedures it follows to prevent insiders and related parties from trading the company's shares and shall this known fifteen days before and three days after the issuance or publication of any date or material information that might have an impact on the price of the securities of the company.

Article (56)

Upon the occurrence of an issue that requires publication by the issuer, as stipulated by Law and until disclosure, the person who understood the issue shall refrain from trading the securities, directly or indirectly; others who are precluded from trading are: a. the issuer; b. any subsidiary of the issuer; c. any controlling shareholder or board member or director or officer or employee or agent who is any insider who deals with the issuer or its subsidiaries or the staff of the PSE and the CMA.

Article (57)

The managers and officers of the issuer shall notify the PSE immediately of the sale or purchase of any security, any trade related to the issuer or its subsidiaries or related company whether the sale or purchase or trade was made for the account of this person or made under its directions or supervision.

Article (58)

Each member of the board of directors, or manager, or shareholder who owns directly or indirectly, an equity stake in the listed company, or in a holding company or affiliate or their related companies which is equivalent to 10%, shall disclose to the PSE promptly any change in ownership in this company, whether caused as a result of an internal trade or not, and such disclosure shall be made no later than one business day from the date of such change.

The following are deemed indirect ownership pursuant to the preceding paragraph:

- a. Ownership through a third party using its own name, but for the account of a board member or general manager or shareholder of a listed company.
- b. Ownership through another company controlled, directly or indirectly, by a member of the board of directors, or manager, or a shareholder of a listed company.
- c. Ownership that leads to control, directly or indirectly, of another company by a person who is a shareholder in the listed company.
- d. Any legal action instituted that leads to acquisition of the voting rights underlying the listed company's shares, with the exception of the proxy given to represent at shareholder at the meeting of shareholders (general assembly).

Article (59)

1. The disclosure about changes in ownership shall demonstrate the following:
 - a. The name of the natural person and place of residence or trade name and the address of the listed company through which the change to ownership has occurred.
 - b. Number of shares owned and the number of voting rights it represents.
 - c. Date of change in ownership.
2. In the event ownership changes in a listed company, indirectly, all information stipulated in the previous paragraph shall be disclosed when it concerns each member of the board of directors or general manager or the shareholders and the party through whom the change occurred to such ownership.
3. In all events, the member of the board of directors or the general manager or the shareholder shall inform the listed company about information that must be disclosed pursuant to this article.

Article (60)

1. Information stipulated in the previous paragraph shall be disclosed to the listed company, in writing within a period not exceeding three (3) working days from the date of the obligation to disclose arises.
2. In the event that a board member or general manager or shareholder of a listed company fails to disclose as stipulated in the previous article, the board of directors of the listed company shall on its own volition disclose within two working days from date of notification as stipulated in the previous paragraph.

Article (61)

1. A member of the board of directors or the general manager or the shareholder of the listed company may apply to the PSE to determine whether disclosure is required pursuant to the (57 and 58) of these Rules.
2. The application mentioned in paragraph one above must include the information stipulated in Article (59) of these Rules.
3. The application mentioned in paragraph one of this article must be submitted within a reasonable time from making transaction that might cause a change to ownership.

Article (62)

The listed company may apply to the PSE to determine whether it should disclose according to this Chapter or not.

Article (63)

The PSE will reply within seven working days to requests submitted providing reasoning for its response, whether positive or negative response.

Chapter Four Disclosure By Member Companies and Companies Applying for Membership

Article (64)

Companies applying for membership shall abide the disclosure requirements in accordance with the Membership Rules.

Article (65)

Member companies shall disclose to the PSE annual, and semi-annual, and quarterly report on the dates as stipulated in these Rules.

Article (66)

1. The member company shall disclose the information at once, and no later than one business day from the adoption of a decision or of an election or knowledge by the member company of the occurrence of a specific event, such as:
 - a. Any change in the composition of the board of directors,
 - b. Any decisions related to the increase or decrease of the company's capital,
 - c. Any decisions related to the liquidation or bankruptcy of the member company or the assignment of a receiver,
 - d. Any judgments related to any claims brought against a member company, whether arising from trading its securities or that which has have a significant impact on its financial position, must be disclosed and provided to the PSE.
 - e. Any event or incident that materially impacts the financial position of the member company.
2. The member company shall provide to the PSE any change or amendment made to any of the information provided previously to the PSE.

Article (67)

The PSE shall be supplied with required information, which shall be published as the PSE deems appropriate taking into account the provisions of the Law.

Article (68)

The PSE shall send periodic reports to the CMA on the activities of the member companies.

Article (69)

Information disclosed pursuant to these Rules must be accurate and reliable.

Article (70)

The Member Company may, with the approval of the PSE, refrain from publishing in local newspapers the information, which causes it damage. It shall, however, provide the PSE with this information.

Article (71)

The PSE and the CMA, shall simultaneously receive the annual reports and any other information required by the Companies Law and the Law to be supplied by member companies to their shareholders.

Article (72)

The member company shall provide the information to the PSE by facsimile or any other electronic means approved by the PSE.

Article (73)

The annual report prepared by the member company at the end of the fiscal year shall include the following:

1. The report of the management of the member company which shall include the following:
 - a. A description of the main activities of the company.
 - b. The legal form of the company.
 - c. The achievements of the member company during the fiscal year supported by numbers.
 - d. The competitive position of the member company and its market share for the past two years or from the date of its incorporation, whichever is less.
 - e. Changes to the member company's capital and equity rights for the past two years or from the date of its incorporation, whichever is less.
 - f. An analysis of the financial position of the member company and the results of its activities during the fiscal year.
 - g. A list of the names of the members of the board of directors, or partners in the member company member - as the case may be - and the list of the names of its staff and their qualifications, experience and grade levels.
2. The annual financial statements of the member company audited by the auditors, compared with the previous year, which shall include the following:
 - a. Balance Sheet.
 - b. Income Statement.
 - c. Cash Flow Statement.
 - d. Statement of Changes in Equity.
 - e. Notes to the financial statements.

The information mentioned shall be disclosed in accordance with the E-Disclosure form.

3. Auditors report of the member company's annual financial statements.
4. A statement from the member company concerning its business as known to it and its belief as to whether there are material events that affect the sustainability of the company during the next financial year.

Article (74)

The semi-annual report that the member company prepares at the end of the shall contain following:

- a. Balance Sheet.
- b. Income Statement.
- c. Cash flow Statement.
- d. Statement of Changes in Equity.
- e. Notes to the financial statements.

The information mentioned shall be disclosed in accordance with the E-Disclosure form.

Article (75)

Each member of the board of directors, or partners - as the case may be - as well as staff of the member companies shall provide the PSE with monthly reports on their trading and the trading of their relatives of the first degree in securities, whether sale or purchase, within seven (7) working days from the end of that month.

Article (76)

The member company shall disclose to the PSE, once a year at least, information about intermediaries and brokers accredited by it and its agents as well as the beginning and end of relations with these persons as they occur.

Article (77)

The member company and its members of the board of directors, or partners, - as the case may be- as well as its general manger and accredited intermediaries shall disclose to the PSE any membership in the boards of public shareholder companies where they serve in their personal capacity or in any other capacity, and any changes during seven working days of the occurrence thereof.

Article (78)

Member companies, with the exception of any of them that are public shareholding companies, shall inform the PSE, in writing, immediately of any change in ownership and provide supportive official documents.

Article (79)

Without derogating from the provisions of this Chapter, the member company or its employees may not disclose to any person any information relating to transactions of investors in securities without their written permission each time disclosure of information is required.

Article (80)

The board of directors may amend the provisions of these Rules at any time. These Rules shall go into effect after obtaining the approval of the CMA, and shall go into force when the CMA designates the date.

Article (81)

The Dispute Settlement Rules issued by the PSE shall apply in the event that any provisions of these Rules are contravened.