

Capital Market Law

Article (1)

These rules shall be called (Provisions for listing securities on the Muscat Securities Market (MSM)).

Article (2)

In these rules, unless the context otherwise requires, expressions and words stated herein shall have the same meaning specified in the Capital Market Law promulgated by Royal Decree No.80/98 and the Executive Regulations issued by Ministerial Decision No. 4/2001.

Article (3)

The Omani joint stock company seeking listing in the market shall submit listing application together with the following documents and information:

1. Commercial register certificate together with all official documents issued by the Commercial Register.
2. List of the names of authorized signatories and specimens of their signatures.
3. Copies of the company's memorandum, article of association and the prospectus.
4. An attested copy of the minutes of the constituent general meeting.
5. List of the names of shareholders together with a floppy disk containing the names of shareholders. (Hard and soft copy of shareholders' names)

Article (4)

(a) Non Omani joint stock company seeking listing in the market shall submit the listing application comprising all the information included in the prospectus as specified by the Executive Regulation of the Capital Market Law. Such information shall specifically include:

1. Company Information:

- Company name
- Location of the head office of the company.
- Names of authorized signatories on behalf of the company together with specimen of their signatures.
- Address of the company
- Date and place of the constitution of the company.
- Authorized capital
- Subscribed capital
- Paid -up capital
- Memorandum and article of association

2. Information on the members of the board of directors.

- List of the names of the board directors and the executive management showing the academic

qualification and work experience of each director.

- Remunerations of members of the board of directors and the method of their election and removal from office.
- Indication whether any of the board directors or executive managers has been convicted of an offence affecting honor or honesty or declared bankrupt or failed to discharge his financial obligations.
- The number of shares owned by each director of the board or the executive management and the ratio of every one of them in the company's capital.

3. Information on shares and shareholders

- Types, classes and rights of the shares issued (ordinary, preferred, other).
- The company's shares price movements during the last three years.
- Names of shareholders who own 10% or more of the company's capital.
- Indication whether the company is listed on a market other than the market of the country of origin.

4. Information on the company's business

- The principal business of the company.
- Substantial changes and developments that took place in the company within the last three years which had effect on the company's performance and share price.
- Future development or expansion plans of the company.
- Information on subsidiaries, ownership of shares and financial statements of existing companies.

5. Financial Statements

- Audited financial statements for the last three years.
- Quarterly financial statements covering the period from the end of the last financial year up to the nearest quarter to the date of the application.

6. Where there is a reciprocal recognition between the market of the country of origin and MSM, the terms and conditions of cross listing agreement concluded between the two markets shall apply.

(b) Listing of non-Omani joint stock companies shall be limited on the Regular Market only.

Article (5)

Where there is an application for listing debt bonds or the like, the applicant company shall, in addition to the requirements specified in Article (3) provide bonds' details in terms of:

- Type and number
- Nominal value
- Redemption value
- Interest rate or any other return to the investors
- Repayment guarantee and their type
- Validity period of the bond and methods and dates of redemption.
- Subordination of bond to other bonds in terms of precedence of payment of interest, assets or

guarantees.

- Convertibility of bonds into ordinary or preferred shares
- Any provisions that give the company the right to redeem the bonds before maturity date.
- Any undertaking by the issuing company to pay dividends, increase its capital or merger with other companies or issue other bonds or any other undertakings that provides protection and guarantee to bondholders.
- Indication whether the company failed to settle any financial obligation within the last five years like settlement of a loan or loan interest or payment of dividends on preferred shares etc.
- Indication of circumstances that constitute a failure in the settlement of the financial obligation of the company.
- Any provisions pertaining to the amendment of the terms and conditions of issue of relevant bonds.
- Any provisions pertaining to the appointment of representatives of bond holders, their competence and the method of their appointment.

Article (6)

The market shall examine and process the listing application in accordance with these rules within a period not exceeding one week from the date of the submission of the completed application.

Article (7)

Companies and funds listed on the market shall comply with the rules, regulations and directives and any other decisions issued by the Capital Market Authority. Companies and funds shall allow CMA access to inspect and audit their businesses and operations. They shall provide a written undertaking thereby.

Article (8)

Securities shall be listed by a resolution made by the Director General of MSM; such resolution shall specify the suitable market for the listing.

Article (9)

Rules applicable for joint stock companies shall be applied for investment funds that take the form of stock company.

Article (10)

Rules for listing on the regular market:

1. The paid-up capital shall not be less than R.O. 2 million.
2. Shareholders' equity shall not be less than 100% of the paid-up capital.
3. They must have achieved net profit during the last two years.
4. The number of days during which the company shares are traded shall not be less than 30

days and share turnover shall not be less than 5% per annum.

Article (11)

Rules for listing companies on the Parallel market:

1. Newly established Joint stock companies
2. Joint stock companies whose shareholders' equity is not less than 50% of the paid-up capital.
3. Newly established investment funds that take the form of stock company.

Article (12)

Listing of companies on the third market:

1. Closed stock companies.
2. Joint stock companies whose shareholder equity is less than 50% of the paid-up capital.

Article (13)

Transfer from a market to another:

Where the market administration notice, after approval of the final accounts of the company by the general meeting, that it has achieved what makes it eligible for listing in a higher market or became ineligible to retain its position on the market in which it is listed, MSM shall transfer its listing to the appropriate market.

Article (14)

Bonds shall be listed on a market to be named the Bond Market.

Article (15)

Notwithstanding the stipulation of these rules, CMA may on a recommendation by MSM uphold the listing of a security on the market it is listed on or transfer the listing to another market as the public interest may require.

Article (16)

Privatized joint stock companies shall be listed directly on the regular market and transfer rules between markets shall apply as specified herein.

Article (17)

Listed companies may be de-listed where:

- a. The legal form of the company is changed from a joint stock company to any other form.
- b. Take over of the listed company by any other company and thereafter ceases to exist as an independent entity.
- c. Merger with another company

d. Dissolution and liquidation of the company.

Article (18)

Listing fees shall be determined by a resolution from the Board of Directors of CMA