

Appendix 2

In this Appendix underlining indicates new text and striking through indicates deleted text.



The DFSA Rulebook

Markets Rules

(MKT)

2 OFFER OF SECURITIES

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2.4 Exempt securities

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2.4.1 For the purposes of Article 14(3)(b) of the Law the DFSA hereby prescribes the types of Securities that are Exempt Securities:

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- (i) Securities already admitted to trading on another Authorised Market Institution or Regulated Exchange (“the other market”), where:
 - (i) the Securities, or Securities of the same class, have been admitted to trading and continuously traded on the other market for more than 18 months;
 - (ii) the ongoing obligations for trading on that other market have been complied with; and
 - (iii) the Person requesting the admission to trading of the Securities under this exemption makes a summary document in the English language which is approved by the DFSA in accordance with the requirements in section 2.6 and published:
 - (A) containing the information set out in Rule 2.5.2(1)(b) and such other information as the DFSA may require;
 - (B) stating where the most recent and current Prospectus, if any, can be obtained; and
 - (C) specifying where the financial information published by the Issuer pursuant to its ongoing disclosure obligations of the other market is available.

Guidance

In considering whether a document referred to in (c) or (d) contains all the relevant information, the DFSA will take into account the information required under Part 2 of the Law and the Rules in this chapter.

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2.5 Prospectus structure and content

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- 2.5.2** (1) The Person producing the Prospectus must, subject to (2), ensure that the Summary is at or near the beginning of the Prospectus and sets out in a clear, concise and easy to understand manner:
- (a) statements that:
 - (i) the Summary should be read as an introduction to the Prospectus and any decision to invest in the Securities should be based on consideration of the Prospectus as a whole; and
 - (ii) civil liability may arise on the basis of the Summary but only if the Summary is misleading, inaccurate or inconsistent, when read in conjunction with the other parts of the Prospectus, or fails to provide the Key Information specified in (b); and
 - (b) the Key Information relating to:
 - (i) the risks associated with and essential characteristics of the Issuer, and guarantor if any, of the Securities, including their assets, liabilities and financial position;
 - (ii) the risks associated with and essential characteristics of the relevant Securities including rights attaching to those Securities;
 - (iii) general terms of the offer, including estimated expenses charged to the investor;
 - (iv) whether the Securities are to be admitted to trading and if so, the details relating to such admission;
 - (v) reasons for the offer and the proposed use of the proceeds; and
 - (vi) if applicable, matters specified in Rule 2.5.5.
- (2) A Prospectus is not required to contain a Summary if it relates to a Debenture or a Warrant or Certificate over a Debenture that has a denomination of at least US\$100,000 and the Prospectus is for the purposes of such Securities being admitted to trading on an Authorised Market Institution.

[The above text is included for reference only and is not being amended]

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2.9 Notification of material changes during the currency of the prospectus

- 2.9.1** (1) If, during the currency of the Prospectus:
- (a) there is a significant change in, or a material mistake or inaccuracy affecting, any matter contained in the Prospectus; or
 - (b) a significant new matter arises,
- the Person making the Prospectus Offer must produce a Supplementary Prospectus in accordance with the requirements in this Rule.
- (2) For the purpose of (1), 'significant' or 'material' means information which an investor would reasonably require for the purpose of making an informed assessment relating to the Securities to which the Prospectus relates.
- (3) In the case of a Prospectus Offer, the Person required to produce the Supplementary Prospectus under (1) must:
- (a) make a clear statement that it is a Supplementary Prospectus;
 - (b) comply with the requirements in section 2.6 relating to the approval of a Supplementary Prospectus; and
 - (c) ensure that the Supplementary Prospectus is available until the end of the Offer Period:
 - (i) in the same media and through the same channels as the original Prospectus; and
 - (ii) to each offeree free of charge; and
 - (d) provide the Supplementary Prospectus without undue delay to each Person who has subscribed for or offered to purchase the Securities in reliance on the initial Prospectus.
- (4) For the purposes of complying with (3), if the Prospectus comprises a Registration Statement and a Securities Note, the Supplementary Prospectus must consist of an updated Registration Statement and Securities Note.

Guidance

Particular care should be taken so that the financial information in a Prospectus is not outdated. For example, in respect of the last year of audited financial information included in a Prospectus, such information is required, under Rule A1.1.1 (item 7.1) of App12, not to be older than 18 months from the date of the Registration Statement where the Issuer includes audited interim

financial statements in the Registration Statement and, not to be older than 15 months, if such interim financial statements are unaudited.

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9 THE LISTING RULES

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9.2 The Listing Principles

Guidance

1. The purpose of the Listing Principles is to ensure that Listed Entities pay due regard to the fundamental role played by them in maintaining market confidence and ensuring a fair and orderly market. The Listing Principles are designed to assist Listed Entities in identifying their obligations and responsibilities under the Listing Rules.
2. The Listing Principles apply in addition to the Corporate Governance Principles in Chapter 3 which apply to all Reporting Entities (other than Reporting Entities of Listed Funds).

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9.7 Continuing obligations

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Purchase of own Shares

Guidance

In accordance with Article 64(1)(b) and 64(2)(g) of the Law, compliance with the Rules in this section may operate as a safe harbour from the Market Abuse provisions in Articles 52, 54 and 58 of the Law. The Rules in this section are in addition to Rule 3.3.4.

- 9.7.4**
- (1) A Listed Entity must not purchase its own Shares without the prior written approval of the DFSA.
 - (2) The DFSA may make its approval of a proposal by a Listed Entity to purchase its own Shares subject to conditions or restrictions.
 - (3) A Listed Entity which proposes to purchase more than 15% of any class of its Shares must do so only by way of a tender offer to all shareholders of that class.
 - (4) The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA under (1) not to approve a purchase of Shares and under (2) to approve a proposal subject to conditions or restrictions.

- (5) If the DFSA decides to exercise its power under (1) not to approve a purchase of Shares or under (2) to make its approval subject to conditions or restrictions, the Listed Entity may refer the matter to the FMT for review.

Guidance

1. A Listed Entity should provide the DFSA with at least 14 clear days in which to review a proposal for the purchase of its own Shares. The more complex a proposal, the more time that will be required by the DFSA to review and approve the proposal.
2. A Listed Entity which proposes to purchase up to 15 per cent of any class of its Shares may do so from specific investors or by way of a Share repurchase programme.
3. Conditions and restrictions which the DFSA may impose on a Listed Entity which proposes to purchase its own Shares include:
 - a. publication of the details of a Share repurchase programme including, where the dates and quantities of Shares to be purchased during the relevant period are fixed, disclosure of such dates and quantities; and
 - b. restrictions on the number of Shares which may be purchased in any given period.
 - c. in the case of a tender offer, limiting the top of the price range to be offered to sellers to a volume-weighted average price for a period preceding the commencement of the Share repurchase programme;
 - d. in the case of a tender offer, restricting any Director or his Associate from undertaking any Share transactions during the course of the Share repurchase programme; ~~and~~
 - e. unless a fixed schedule of Share buybacks had been published, restricting Share repurchases during any period when the Listed Entity has unpublished Inside Information²;
 - f. publication of details of the mechanism that will be used to carry out the Share repurchase; and
 - g. if the repurchase will take place on the open market, a requirement to ensure that transactions are carried out at arms-length.

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Security specific disclosures

- 9.7.8** A Listed Entity must make the required market disclosures in accordance with App3 and ~~Rule~~section A6.1 and comply with the other continuous obligations in accordance with section A6.2.

Guidance

There are additional disclosure requirements applicable to Islamic Securities specified in the IFR module.

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App 1 CONTENT OF A PROSPECTUS

A1.1 Registration statement

A.1.1.1 This table forms part of Rule 2.5.1(3)(b).

- A.1.1.2** (1) The reference to an “issuer” in this App1 is a reference to the Person offering Securities under the Prospectus as specified in Rule 1.1.1 (2)(a) and (b).
- (2) An issuer must include the specified information in relation to the Securities identified with a “✓” in this table which are the subject of the relevant Prospectus.
- (3) If an asterisk is used when identifying a Security, the requirement to provide the item of information for that Security is qualified as specified in the relevant item.

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A1.1.1							
CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT	Shares	Warrants over Shares	Debentures	Warrants over Debentures	Certificates over Shares	Debentures over Debentures	Structured Products
...							
2. OPERATIONAL FINANCIAL OVERVIEW							
...							
2.4 Production and sales trends							
(a) Information about the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Registration Statement.	✓	✓	✓	✓	✓	✓	✓
(b) If:			✓	✓		✓	✓
(i) there has been no material adverse change relating to the information referred to in (a) since the date of its last published financial statements, a statement to that effect; and			✓	✓		✓	✓
(ii) the issuer is not in a position to make such a statement, details of the material adverse change.							
(c) Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the <u>current financial year</u> past 12 months .	✓	✓	*✓		✓		✓

*The information in 2.4(c) is not required to be included for Debentures that have a denomination of US \$100,000 or more per Security.							
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A1.1.1							
CONTENTS OF PROSPECTUS – REGISTRATION STATEMENT	Shares	Warrants over Shares	Debentures	Warrants over Debentures	Certificates over Shares	Debentures	Structured Products
...							
7. FINANCIAL INFORMATION ABOUT THE ISSUER							
7.1 Historical financial information about the issuer	✓	✓			✓		
(a) Historical financial information covering the latest 3 financial years (or such shorter period that the issuer has been in operation) where such information in respect of each year is:							
(i) prepared in accordance with the International Financial Reporting Standards (IFRS) or any other standards acceptable to the DFSA;							
(ii) audited in accordance with the standards of the International Auditing and Assurance Standards Board (IAASB) or other standards acceptable to the DFSA; ¹ and							

¹ With the last two years audited historical financial information being presented and prepared in a form consistent with that which will be adopted in the issuer’s next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

(iii) independently audited or reported on as to whether or not, for the purposes of the Registration Statement, it gives a true and fair view, in accordance with the applicable auditing standards referred to in (ii) above; and							
(b) Historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation) where such information in respect of each year is: (i) prepared in accordance with the International Financial Reporting Standards (IFRS) or any other standards acceptable to the DFSA; (ii) audited in accordance with the standards of the International Auditing and Assurance Standards Board (IAASB) or other standards acceptable to the DFSA; ² and (iii) independently audited or reported on as to whether or not, for the purposes of the Registration Statement, it gives a true and fair view, in accordance with the applicable auditing standards referred to in (ii) above; and			✓	✓		✓	✓
(c) In respect of the last year of audited financial information included, such information not being older than one of the following: (i) <u>in the case of Debentures that have a denomination of US \$100,000 or more per Debenture, 18 months from the date of the Registration Statement; or</u> (ii) <u>in any other case:</u> (iA) 18 months from the date of the Registration Statement if the issuer includes audited interim financial statements in the Registration Statement; or (iB) 15 months from the date of the Registration Statement if the issuer includes unaudited interim financial statements in the Registration Statement.	✓	✓	* ✓	✓	✓	✓	✓

² With the last two years audited historical financial information being presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

<p>(d) A statement that the historical financial information has been audited.</p> <p>(e) If the audit reports on the historical financial information have been refused by the auditors or if they contain qualifications or disclaimers, reproduction of such refusal, qualifications or disclaimers in full and the reasons given.</p> <p>(f) If any other information in the Registration Statement has been audited by the auditors, a statement to that effect.</p> <p>(g) If any financial data in the Registration Statement is not extracted from the issuer's audited financial statements, statements as to the source of the data and that the data is unaudited.</p> <p>(h) If since the date of the issuer's last audited financial statements quarterly or half yearly financial information has been published, such statements including:</p> <ul style="list-style-type: none"> (i) if the quarterly or half yearly financial information has been reviewed or audited, the audit or review report; or (ii) if the quarterly or half yearly financial information is unaudited or has not been reviewed, a statement to that effect. <p>(i) If the Registration Statement is dated more than nine months after the end of the last audited financial year, interim financial information:</p> <ul style="list-style-type: none"> (i) covering at least the first six months of the financial year; (ii) including comparative statements for the same period in the prior financial year (except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet); and (iii) if unaudited, a statement to that effect. 						
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(j) If the issuer prepares both own and consolidated annual financial statements, at least the consolidated annual financial statements.							
(k) A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement.							
(l) Any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency.			✓	✓		✓	
*The information in 7.1(e)(ii), 7.1(h) and 7.1(i) is not required to be included for Debentures that have a denomination of US \$100,000 or more per Security.							