



بورصة الكويت
BOÛRSA KUWAÏT

TRADING RULEBOOK IPTMI

Chapter	Title
Chapter One	: General Provisions
1-1	Definitions
1-2	Operation of the Trading System
1-3	Responsibility
1-4	Rights of Trading Operations Department
1-5	Access to the Trading Hall
1-6	Trading Hours, Sessions and Days
1-7	Trading Currency
1-8	Investment Account (Trader ID)
1-9	Suspension of Trading
Chapter Two	: Trading
2-1	Trading Through the System
2-2	Orders
2-3	Information Required when Entering Orders into the Trading System
2-4	Price Limits
2-5	Order Validity
2-6	Order Visibility
2-7	Modification and Cancellation of Outstanding Orders
2-8	Trades Modification
Chapter Three	: Trading
3-1	General Provisions
3-2	Divisions of Trading Cycle
3-3	Reference Price Calculation
3-4	Indices
3-5	Confirmation and Publishing
3-6	Reporting of Transfer of Securities Ownership
3-7	Reporting to Clearing Agency
3-8	Market Cancellation and Modification of Orders or Trades
3-9	Events of Exemption from Trading Rules
3-10	Corporate Actions

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I

Chapter One General Provisions

Article I-I	Definitions
The Authority	Capital Markets Authority (CMA).
The Law	Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority Regulating Securities Activities and its amendments.
Executive By-Laws	Executive Regulations to the Law.
The Exchange	The market designated for Matching bid and ask offers for Securities which follows specific trading procedures and performs standard market functions.
Trading Operations Department	The department with <u>The Exchange</u> dedicated to monitor the daily trading transactions.
Clearing Agency	The entity that conducts clearing and settlement of securities trading and central depository process of securities, and other related services.
Licensed Broker	A securities broker who is registered with <u>The Exchange</u> or a qualified securities broker registered with <u>The Exchange</u> .
Cum-Date	Refers to the last day where a buyer is still entitled to partake in <u>Corporate Actions</u> and distributions as the transaction can be settled in time before the <u>Record Date</u> . The Cum date is the day prior to the Ex-Date.
Ex-Date	Refers to the first trading of a security where such security is not carrying any rights or benefits deriving from a Corporate Action.
Constituent (Trading Participant)	A <u>Licensed Broker</u> and market maker.
Trading System	An IT system allowing the online dispatch of buy and sell orders and other transactions via the trading platform of <u>The Exchange</u> , without human intervention.
Market Model	A detailed manual for the <u>Trading System</u> .
Investment Account (Trader ID)	A client account designated for the management and maintenance of the client's funds and assets. The 'Trader ID' is used to execute all securities transactions by debiting and crediting the account directly.

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Chapter One General Provisions

Firm Manager	User of the <u>Trading System</u> in his capacity as a Trading Participant representative. Such user has access to all orders entered into the system by other users of the <u>Constituents (Trading Participant)</u> .
User	The representative of a <u>Constituent (Trading Participant)</u> , for whom a special identifier is created on the <u>Trading System</u> , distinguishing him from other representatives of the <u>Constituent (Trading Participant)</u> .
Private Order Book	A feature on a system allowing the user to enter non-activated orders, and giving him absolute freedom to transfer or activate the orders in the general order book during the trading hours.
Market Capitalization	The value of shares outstanding in the market.
Liquidity	A measure of the value of traded shares outstanding in the market over a specific period.
Par Value (Nominal Value)	The value in which the listed company issues the security without an issuance premium.
Reference Price	The closing price of the previous day. Reference price shall not change during the trading hours. The Reference Price may be modified according to the share's corporate action(s).
Direct Market Access	A service offered by brokers (with direct access to the market) to their customers licensed as market maker, investment portfolio manager or any other registered person with <u>The Exchange</u> that allows those customers to use to <u>Trading System</u> directly through electronic communication channels.
Sponsored Access	The entry of persons licensed for market maker or investment portfolio manager activities, or other persons registered with <u>The Exchange</u> , to <u>trading systems</u> through linked technical channels under the trading code belonging to guarantor broker.
Matching	The matching of buy and sell orders, resulting in a trade.
Non-Discretionary Portfolio	An omnibus trading account for clients of a licensed person to manage investment portfolios, managed upon the client's orders.

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Chapter One

General Provisions

Discretionary Portfolio	An omnibus trading account for clients of a licensed person to manage investment portfolios, managed by the licensed person.
Data Service Provider	A third party providing real time and/or historic trading statistics from the <u>Trading System</u> of <u>The Exchange</u> .
Outstanding Orders	The orders through which the client calls for purchase or sale of a security at a specific price, but not executed.
Trades	Executed orders that initiated obligations between the parties.
Extraordinary Cash Dividends	Non-periodic, exceptional cash dividends determined by the issuer, normally from a non-operating source of income.
Corporate Actions	The actions adopted by listed companies, entailing rights or obligations or change on the shares on which they are issued, such as approval of cash dividends, bonus shares, rights issue, capital reduction, merger, spilt, or change of the share nominal value.
Confirmation Date	The day falling eight working days preceding the <u>Record Date</u> , wherein the timeframe of Corporate Action are confirmed by the listed company.
Record Date	The day set by the listed company, wherein the beneficiaries subject to the <u>Corporate Actions</u> are specified in accordance with the company shareholders records as at the end of that day.

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I

Chapter One General Provisions

Article I-2 Operation of the Trading System

The Exchange, upon the approval of The Authority, develops the rules and procedures relating to the operation of the Trading System in accordance with the provisions of Article (1.5) of Module 4 of the Executive Regulations.

Article I.3 Responsibility

1. The Constituent (Trading Member), while carrying out their activity, shall bear responsibility for the acts of their board members, employees and associates.
2. The Licensed Broker shall be responsible for ensuring settlement with the Clearing Agency and fulfilment of obligations for all Trades executed through such Licensed Broker, even if the client for whom the transaction is made fails to settle and fulfil such obligations.
3. The Constituent (Trading Member) shall be responsible for ensuring the settlement of all Trades made through Constituent (Trading Member), whether through Direct Market Access or Sponsored Market Access.
4. The Constituent (Trading Member) shall be responsible for the errors arising from the entry of invalid orders or failure of the Constituent (Trading Member) Trading Systems.

Article I.4 Rights of Trading Operations Department

Article I.4.1 The Trading Operations Department is responsible for monitoring the daily trading in the market.

Article I.4.2 Responsibility of the Trading Operations Department specifically includes:

1. Modify or cancel orders at any time.
2. Set the Reference Price.
3. Adjust the Reference Price.
4. Enter and modify the Investment Account (Trader ID).
5. Suspend, restrict or activate trading of any trader at the request of The Authority or other party entitled to do so;
6. Adjust the timing of the trading sessions upon system breakdown or at the request of The Authority;
7. Prepare and publish The Exchange's announcements or The Authority's announcements, at The Authority's request;
8. Suspend or activate trading on one or more securities;
9. Execute Special Trades procedures.

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I

Chapter One General Provisions

Article 1.5 Access to the Trading Hall

Access to the Licensed Brokers' offices at the trading hall is exclusive to representatives of the Licensed Broker.

Article 1.6 Trading Hours, Sessions and Days

Article 1.6.1 Trading in securities may take place during the official working days, trading sessions and hours, as determined by The Exchange.

Article 1.6.2 The Exchange may determine the days, number of trading hours, and times of opening and closing of the trading sessions.

Article 1.6.3 The Exchange may change the trading hours and the duration of trading sessions for the holy month of Ramadan.

Article 1.7 Trading Currency

All Trades must be executed in Kuwaiti Dinar or any other currency approved by The Exchange.

Article 1.8 Investment Account (Trader ID)

Article 1.8.1 Clearing Agency shall allocate each trader a unique identification number.

Article 1.8.2 Without prejudice to the provisions of Article (1.8.3) of these rules, investment portfolios managed by the licensed person (Discretionary Portfolio) shall not cross with each other, as buyer and seller in the trading transactions.

Article 1.8.3 Crossing, as buyer and seller, may take place between the portfolios managed by the clients of the person licensed (Non-Discretionary Portfolio) to manage the investment portfolios, provided that such crossing shall not take place in favour of one portfolio or between multiple portfolios of the same client.

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Chapter One General Provisions

Article 1.9 Suspension of Trading

Article 1.9.1 The Exchange may, at its sole discretion or at the request of The Authority, suspend or lift suspension on:

1. A security;
2. A The Constituent (Trading Member);
3. An Investment Account (Trader ID).
4. Any person connected through Direct Market Access or Sponsored Access.

The Exchange may suspend a Licensed Broker or Investment Account (Trader ID) at the request of the Clearing Agency, in the events set forth in Clearing Agency Rules.

Article 1.9.2 The Exchange may suspend trading of a security, in the following events:

1. In a force majeure events (natural disasters, accidents, warfare, unrest) at the request of The Authority;
2. Abstention or default by the listed company to pay the annual subscription fee set by The Exchange;
3. A technical breakdown or malfunction of the Trading System in The Exchange;
4. Decision of the Violations Committee of The Exchange to suspend a security;
5. Once a mandatory or voluntary acquisition is announced, the security is suspended for an hour;
6. Upon a listed company's request;
7. Abstention or delay by a listed company to comment on forecasts, news, information or rumours;
8. Abstention or delay by a listed company to comment on unusual trading.

In the events set forth in paragraphs (6, 7 and 8) of this article, The Exchange shall communicate with The Authority prior to suspending the trading of the security.

Article 1.9.3 The Exchange shall cancel executed Trades on a security in the following events:

1. The issuance of a resolution by The Authority cancelling the executed Trades;
2. The issuance of a resolution by the Disciplinary Council at The Authority to cancel the executed Trades;
3. The issuance of a resolution by the Violations Committee at The Exchange to cancel the executed in the event a violation to the of The Exchange rules occurred;

In all cases, Trades that have been settled may not be cancelled.

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2

Chapter Two Trading

Article 2.1 Trading through the System

Article 2.1.1 Without prejudice to the provisions relating to the events set forth in Article (3.9) of these rules, all trading of listed securities shall be executed via the Trading System, unless suspended from trading.

Article 2.1.2 The order and any information relating thereto shall be entered according to the Market Model

Article 2.1.3 The Constituent (Trading Member) shall enter the orders by order of receipt from clients, unless otherwise agreed with the clients. The Constituent (Trading Member), prior to entering the orders, shall ensure client's fulfilment of all their obligations.

Article 2.2 Orders

Article 2.2.1 Types of orders are divided in terms of price characteristics, into:

1. Price-specific Order: An order to buy or sell a security at a specified price.
2. Market Price Order (MKT): An un-priced buy or sell order that that will depend on the current trading price.

All orders must contain all the required information mentioned in Article 2.3 hereof.

Article 2.2.2 Orders are divided in terms of volume feature, into the following types:

1. Fill and Kill (FaK): Fill any amount of the order that can be filled against any orders in the opposite side of the Order Book, and any remaining quantity of the order is immediately cancelled.
2. Fill or Kill (FoK): The order must execute immediately to its full quantity either in one trade or in multiple Trades, otherwise the order is cancelled.

Article 2.2.3 Orders are divided, in terms of the order validity period, into the following types:

1. Day Order: The buy or sell order that remains valid up to end of trading on the day in which the order is entered.
2. Session Order: The buy or sell order that remains valid until cancelled or up to the end of the session wherein the order is entered.
3. Good Till Cancelled: The buy or sell order that remains valid until cancelled or executed, or end of the maximum validity of the order, i.e. 90 days.
4. Good Till Date: The buy or sell order that remains valid until the end of its date specified during entry, to a maximum of ninety days.

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2

Chapter Two Trading

5. Immediate Order: The buy or sell order instantly executed for the largest possible quantity, with cancellation of the remaining or unexecuted quantity. The period of this order shall be available only during the continuous daily trading.

Article 2.3 Information Required when Entering Orders into the Trading System

Upon entering the orders into the Trading System, the following information should be provided:

1. Security Name and Identification Number.
2. Type of order in terms of price, quantity and order validity duration.
3. Price.
4. Type of transaction (buy/sell).
5. Quantity, to a maximum of 5,000,000 shares.
6. Investment Account (Trader ID).

Article 2.4 Price Limits and Tick Sizes

Article 2.4.1 Without prejudice to any other provisions stated in these Rules, the price of the order has to be within the price limits at a maximum of 20% of the Reference Price, decrease or increase in one trading session.

Article 2.4.2 In the event that there are buy orders maximum upper limit without sell orders or vice versa, in the trading session, the upper limit or lower limit may be increased or decreased by 20% in the trading session. This applies to each subsequent trading session in which this case is repeated, the percentage is calculated based on the Reference Price from the first trading session reaching these price limits.

Article 2.4.3 Tick sizes will be based on the share price in accordance to the table below.

From (fils)	To (fils)	Tick Size (fils)
0.1	100.9	0.1
101	∞	1

The Exchange may change price limits and tick sizes after the approval of The Authority.

Article 2.5 Order Validity

Article 2.5.1 Order shall be rejected by the Trading System in the event of non-validity of any of the requested information when entering the order.

Article 2.5.2 Order validity criteria vary according to trading sessions.

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2

Chapter Two Trading

Article 2.6 Order Visibility

Article 2.6.1 The Licensed Broker or market maker shall specify their representative, either as "User" or "Firm Manager."

Article 2.6.2 All system Users may have access to the orders they entered.

Article 2.6.3 Firm Managers may access all orders entered into the system, directly or through a User.

Article 2.6.4 The Firm Manager may view the orders entered in the system entered by his clients via Direct Market Access or Sponsored Access.

Article 2.7 Modification and Cancellation of Outstanding Orders

Article 2.7.1 Outstanding Orders may be modified or cancelled during the trading session.

- 1 The "User" may modify or cancel his own Outstanding Orders.
- 2 The Firm Manager may modify or cancel his own orders, or any User of or clients via Direct Market Access or Sponsored Access.

Article 2.7.2 The Outstanding Orders may be modified with regard to the following information:

- 1 Price: Any change in the price (increase or decrease) shall cause the order to lose priority in terms of timing on the order book.
- 2 Quantity: Reducing the quantity shall not affect the order priority in the order book, while causing it to lose priority in timing in the event of increased quantity.
- 3 Order Duration: Change of order validity shall not affect its priority in the order book.

Article 2.7.3 Orders may be transferred from the order book to the Private Order Book.

Article 2.8 Trade Modification

Article 2.8.1 Price and quantity of Trades may not be modified. The Licensed Broker may request the modification of Trades in the event of erroneous entry of the Investment Account (Trader ID), provided that such request is submitted no later than the lapse of the settlement cycle.

Article 2.8.2 Request for modification shall be submitted within the trading hours of The Exchange.

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2

Chapter Two Trading

Article 2.9 Trade Cancellation

Article 2.9.1 Price and quantity of Trades may not be cancelled. The Licensed Broker may request cancellation of Trades in the event of erroneous entry of the Investment Account (Trader ID), provided that such a request is submitted no later than the lapse of the settlement cycle, and provided that the approval of the other party of the executed trade is obtained.

Article 2.9.2 Request for cancellation shall be submitted within the trading hours of The Exchange.

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3

Chapter Three Trading Cycle

Article 3.1 General Provisions

The Exchange shall publish a table showing the trading cycle. The Exchange may amend such table.

Article 3.2 Sessions of Trading Cycle

The trading cycle is divided into several sessions (detailed in the Market Model) as follows:

1. Enquiry (pre-trading session)
 - Opening Auction
 - Order Acceptance
 - Pre-Auction
2. Opening Auction Matching
3. Trading
4. Closing Auction
5. Closing
6. Enquiry (after end of trading session)

Article 3.2.1 Enquiry

1. No access may be given to the order book during the enquiry session.
2. Users may:
 - Have access to public information, such as the closing price of the previous day, the Reference Price and statistics;
 - Have access to their orders;
 - Orders may not be matched during the enquiry session.
 - Cancel their orders which were posted from the previous day, such as: Good till Cancelled, Good till date;
 - Withdraw orders and place them in the Private Order Book;

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3

Chapter Three Trading Cycle

Article 3.2.2 Order Acceptance

1. Orders of specific validity up to one day, up to cancellation or up to a specific date may be entered.
2. Orders may not be cancelled during the order acceptance session.
3. Orders may be modified by increasing the buy order price or reducing the sale order price. No reduction of the buy order price or increase of the sale order price may take place.
4. Orders from the Investment Account (Trader ID) of a client-managed portfolio shall be rejected in the following events:
 - If the sell orders are entered at a price equal to or higher than Outstanding Buy Orders under the same Investment Account (Trader ID)
 - If buy orders are entered at a price equal to or below the Outstanding Sell Orders under the same Investment Account (Trader ID).
5. Orders may not be matched during the order entry session.

Article 3.2.3 Pre-Auction and Opening Auction Matching

The pre-auction and auction opening sessions shall be subject to the following provisions:

1. Orders may be entered during the pre-auction session.
2. Orders may not be modified or cancelled during the pre-auction session.
3. The opening price shall be specified for each security during the opening auction Matching session, when buy and sell orders are matched in the order book.
4. The Exchange shall determine the opening price calculation methodology.

Article 3.2.4 Continuous Trading Session

The continuous trading session shall be subject to the following provisions:

1. Unmatched orders of opening auction are carried over to continuous trading
2. Access may be given to the order book during the session.
3. Limit orders or market orders may be entered.
4. Orders may be modified, cancelled or moved to the Private Order Book.

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3

Chapter Three Trading Cycle

5. Orders entered during the continuous trading session may be instantly matched, or listed in the order book by priority of price and time. Orders entered shall be matched or cancelled by quantity feature (as stated in Article 2.2.2) hereof.
6. Orders valid for this session shall be cancelled at the end of the continuous trading session.

Article 3.2.5 Closing Auction Session

The closing auction session shall be subject to the following provisions:

1. Orders may be entered during the closing auction session.
2. Orders may not be modified or cancelled during the closing auction session.
3. The Trading System shall not accept Matching of buy and sell orders (orders execution) during the closing auction session.
4. An indicative closing price shall be displayed.
5. Closing price is computed in the same way by which the opening price is computed.
6. Buy and sell orders shall be matched at a randomized closing time during the closing auction session.

Article 3.2.6 Closing Session

The closing session shall be subject to the following provisions:

1. Access to order book during closing is not allowed.
2. Constituents (Trading Members) are not allowed to cancel orders during the Closing session.
3. Buy or sell orders may not be modified during the closing session.

Article 3.2.7 Enquiry Session (After end of trading session)

The enquiry session, after the end of the trading session, shall be subject to the following provisions:

1. Orders may not be entered and order book may not be accessed during the enquiry session.
2. During this period, Constituents (Trading Members) are allowed to cancel orders.
3. Orders may not be modified during the enquiry session.

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3

Chapter Three Trading Cycle

Article 3.3 Reference Price Calculation

Article 3.3.1 Reference Price is determined by the closing price of the previous day. Reference Price may be modified based on Corporate Actions of the security based on the methodology stated in the Index Rulebook

Article 3.3.2 The Exchange may set the Reference Price if it deems that this serves the interests of investors and the market in the following events:

1. The distribution of Extraordinary Cash Dividends;
2. Lifting the suspension of the security after the trading suspension period of over ninety days. In such case, The Exchange may cancel the previous Reference Price.
3. Any other events which The Exchange deems appropriate, upon CMA approval.

Article 3.4 Indices

Article 3.4.1 Identifying Indices

The Exchange determines the indices calculated and information disseminated, via the Trading System and its website. Further, The Exchange may collect fees against such information, further details of indices are available in the Market Model.

Article 3.4.2 Securities eligible to index calculation

1. The Exchange may list or exclude any security in any index, as in the events stated in the Index Rule Book.
2. The Exchange may suspend any security in any index, as in the events stated in the Index Rule Book.

Article 3.4.3 Index Calculation

The Exchange determines the method of calculating the index, the price weighting or/and market cap weighted method.

Article 3.4.4 Changes in the Index Constituents

The Exchange will announce all changes in the constituents of an index.

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3

Chapter Three Trading Cycle

Article 3.4.5 Review of Index Constituents

The Exchange reviews the index constituents on an according to the index rulebook/methodology.

Article 3.4.6 Index Updates

The Exchange updates the indices related to daily trading after each trade executed on the Trading System. The Exchange makes the index information available to the participants.

Article 3.5 Confirmation and Publishing

Article 3.5.1 Confirmation

1. The Trading System shall instantly send an electronic conformation to the participant, showing the Trades and transactions they conducted.
2. The Trading System shall instantly send a trade confirmation to traders via Direct Market Access and Sponsored Access and to the broker that they are trading through them, showing the trading transactions conducted through them.

Article 3.5.2 Publishing before Trading

1. A summary will be released displaying the Outstanding Orders of the, participant, via the Trading System.
2. The summary includes the total quantity and prices of unmatched buy and sell orders.
3. Participants and traders may view all details relating to their orders.
4. The Firm Manager of the constituent may view all details of orders entered by the system Users (broker representative) and traders via Direct Market Access or Sponsored Access.

Article 3.6 Reporting of Transfer of Securities Ownership

The Exchange may request from the Clearing Agency any information or reports it requires on the transactions it conducts or on the records it keeps, specifically the transfer of ownership transactions of listed securities made by the Clearing Agency outside the Trading System

The Exchange may request the Clearing Agency to provide additional information or reports to ensure sound execution of these rules.

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3

Chapter Three Trading Cycle

Article 3.7 Reporting to Clearing Agency

1. The Exchange shall notify the clearing agencies of the executed Trades immediately upon execution thereof.
2. The Exchange shall notify the Clearing Agency of all modifications and cancellations immediately upon execution thereof.

Article 3.8 Market Cancellation and Modification of Orders or Trades

The Exchange shall cancel orders or Trades in the event of receipt of any instructions from The Authority.

Article 3.9 Events of Exemption from Trading Rules

Trades on listed securities may be executed outside the Trading System in the following events:

1. Sale of large volume of securities of no less than 5% or more of the shares of a listed company
2. Special Trades
3. Transfer of ownership in the exempted events with Exchange's approval as stated in Article 3.9.3 of these rules.
4. Transfer of ownership in the exempted events without The Exchange's approval as stated in Article 3.9.5 of these rules.

Article 3.9.1 Sale of large quantities of securities not less than 5% or more of a listed company

Trades representing 5% or more of the shares of a listed company will be executed according to the following procedures:

1. The person wishing to sell securities of the listed company in the market, of no less than 5% or more of the company's capital shall deliver to a Licensed Broker the securities to be sold.
2. The person wishing to sell securities shall send an official letter through the Licensed Broker to Trading Operations Department of The Exchange, requesting the sale of the mentioned securities by executing the "public auction" trade, along with a statement by the Clearing Agency proving his ownership of the securities to be sold (account statement from the Clearing Agency and a certificate from the shareholders register).

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3

Chapter Three Trading Cycle

3. The person wishing to buy the securities subject of the trade shall send an official letter through a Licensed Broker to the Trading Operations Department at The Exchange, requesting purchase of the securities offered for sale, as a preliminary buyer, at a price agreed upon with the person wishing to sell.
4. The buyer shall attach a certified cheque through a Licensed Broker to The Exchange, covering an advance payment of 10% of the total trade value, noting that the payment shall be calculated on the basis of the initial price announced for the trade. Such amount shall be non-refundable if the buyer retreats from closing the trade after being announced in The Exchange.
5. The Licensed Brokers of the buyer and seller shall, on their behalf, apply for completion of the trade procedures at The Exchange.
6. Upon the approval of the Chief Executive Officer (CEO) of the Stock Exchange of executing the trade, CMA shall be notified of all details thereof.
7. The Exchange shall address the Clearing Agency regarding the securities to be sold, and shall ensure that all securities offered for sale are eligible to be sold, and are free of any restrictions that may prevent the trade execution. In addition, it shall ensure that the buyer is under no restrictions to prevent him from executing the trade and collect the down payment of 10% of the trade value, calculated on the basis of the initial price and according to the declared details of the trade.
8. Upon receipt of the Clearing Agency's response indicating the possibility to execute the trade, The Exchange shall publish the on the official website and ticker of The Exchange for 10 working days, provided that the trade shall be executed on the eleventh day prior to the commencement of the actual trading session in the market.
9. The trade shall be displayed on the announcement page on the official website of The Exchange. Any party wishing to enter the auction shall submit an application following the same procedures as for the initial buyer, and deposit with a Licensed Broker the payment referred to in step 4 above, no later than 9:30am on the day prescribed for auction. The entry of the third party shall not eliminate the right of first buyer to continue the trade and bid on securities subject of the trade.
10. The Exchange shall announce whether bidders are entering or not at 10 am of the day set for the auction through announcement on the official website of The Exchange and on the ticker.
11. If on the day scheduled for auction no other buyer proceeds to the auction until 10am, the auction shall be awarded to the initial buyer and this shall be announced on the official website of The Exchange and the ticker.

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3

Chapter Three Trading Cycle

12. If a third or more parties apply for entry in the public auction, while fulfilling the requirements, the auction shall be held in public in an official, approved hall in The Exchange, allowing attendance of all.
13. The auction shall be opened by announcing the initial price and inviting the auctioneers to participate. If no party offers a higher price for 15 minutes, the auction shall be awarded to the initial buyer and the trade shall be closed. If an auctioneer provides a better price within the said 15 minutes, the auction shall continue and five minutes will be allowed for the auction on each price. If the five minutes elapse without any party proceeding for auction, the auction shall be awarded to the last price.
14. Upon completion of the public auction, the trade shall be executed in the presence of all parties representing The Exchange, the Clearing Agency, the buyer, the seller and brokers. A copy shall be handed over to each party, and the parties to the trade shall disclose the trade, and ownership percentage of each to CMA and The Exchange during the working day following the auction.
15. Immediately upon completion of the trade, it shall be announced as executed and its total value shall be announced on the official website of The Exchange and the ticker. The Exchange shall also announce the initial price and final price, as well as the actual buyer and seller.

Article 3.9.2 Special Trades (Definition of Special Trades)

Special Trades are the trades the nature of which requires that its execution shall be preceded with an agreement between a buying party and a selling party to execute the trade on a listed security in The Exchange for a specific price and quantity.

Article 3.9.2.1 Events allowed to be executed through the Special Trades

1. If the trade size exceeds the rates of trading on the security intended to be executed and shall be measured for the last month prior to the date of request for execution of Special Trades.
2. If the trade is for accounting purposes, a letter from the external auditor shall be attached as evidence.
3. If the trade is to fulfil globally applicable investment policies and strategies.
4. If the purpose of the trade is to repay a bank loan or debt.
5. Any other cases determined by The Exchange and approved by The Authority.

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3

Chapter Three Trading Cycle

Article 3.9.2.2 Main controls and terms that must be met to execute Special Trades

1. The value of the Special Trade must not be less than KWD 150,000
2. The securities should be wholly owned by the selling party.
3. The price of a security in the trade shall be determined on the basis of the last closing price upon submission of the request for trade execution, and the trade price should not exceed five ticks up or down.
4. The execution of the trade shall take place only upon approval of The Exchange.
5. The trade shall be limited to two parties only (the buyer and seller), and execution between multiple parties shall not be allowed.
6. The security to be traded should not be suspended from trading.
7. The transaction shall be executed through a broker registered with The Exchange.
8. Ratio of the quantity of securities to be traded should be less than 5% of the capital of the company issuing the securities subject of the trade.
9. The buying and selling commission shall be applied and shall be fully due as applicable to the Special Trade.
10. Cash settlement of the trade shall be made in full, by transferring the value of securities from the buyer's account with the Clearing Agency and depositing the same into the seller's account with the Clearing Agency during the cash settlement period.
11. Payment of KD 50 as application fee by a bank note (by both parties – the buyer and seller).
12. This form, upon verification by both brokers, shall be sent by email to the address mentioned below, along with the documents necessary to complete the trade, as specified by The Exchange.
13. The provisions of the Special Trade shall not apply to cases of transfer of ownership of exempted securities described in Articles 3.9.3, 3.9.4 and 3.9.5 of these rules.

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3

Chapter Three Trading Cycle

Article 3.9.2.3 Announcement of execution of Special Trade:

1. The Exchange shall announce the details of the trade upon approval and before the execution of the special trade without mentioning the parties on the website of The Exchange.
2. Upon completion of the special trade, announcement shall be made of the total value and volume of the trade, in addition to the total value and volume of the securities executed on the same security at the official trading session on the announcement screen.
3. Announcement prior to and after execution of the trade shall be made on the same day of execution of the special trade.
4. Further, upon execution of the special trade, the total volume and value of the trade shall be displayed on the Trading System.

Article 3.9.2.4 Refraining from execution of the Special Trade

1. If a party refrains from executing special trade, the party wishing to refrain shall notify The Exchange by a letter to be submitted by the broker via email, a reasonable period of time prior to the execution of the trade.
2. In the event that a party refrains from executing the special trade after announcing the trade to be executed, The Exchange shall announce the cancellation of the execution of the trade on the announcement screen.

Article 3.9.3 Transfer of Ownership in Exceptional Cases, with Exchange Approval

Transfer of ownership of the listed securities may be made with the approval of The Exchange by exemption from the trading rules, in the following events:

1. Transfer of ownership pursuant to an amicable settlement between the creditor and the debtor or guarantor owning the security.
2. Transfer of ownership in implementation of the repurchase agreements in accordance with the provisions of Article (11-8) of Module II of the Executive bylaws of CMA Law.
3. Transfer of ownership of the necessary number of shares of the company to guarantee the membership for the Board of Directors in accordance with the concerned company's articles of association.
4. Transfer of ownership based on a court ruling enforceable, unless the ruling is rendered regarding one of the events wherein the approval of The Exchange is not mandatory.

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3

Chapter Three Trading Cycle

Article 3.9.4 Procedure for transfer of Ownership in Exceptional Cases, with Exchange Approval

Transfer of ownership in the exceptional cases with The Exchange's approval shall take place according to the following procedures:

1. The concerned party shall apply to The Exchange for their approval of the transfer of ownership on the form to be developed by The Exchange, accompanied with the supporting documents supporting that one of the exceptional cases referred to in Article 3.9.3 of these rules applies.
2. The Exchange shall issue its decision regarding the application by approval or rejection or requesting further clarifications or documents, upon verifying that one of the exceptional cases referred to in Article 3.9.3 of these rules applies.
3. In the event of Exchange approval, the parties to the transaction shall apply to the Clearing Agency, requesting transfer of ownership. The Clearing Agency shall, after identifying the parties of the transaction and their legal representation, as well as the documents supporting ownership, and that no legal or contractual violations or restriction exist to prevent transfer of ownership, complete the transfer.

Article 3.9.5 Transfer of ownership in the exceptional events, without The Exchange's approval

Ownership of listed securities may be transferred via Kuwait Clearing Company without the need for approval of The Exchange in the following events

1. Transfer of ownership due to inheritance or will.
2. Transfer of ownership between spouses and relatives to the second degree.
3. Cases of transfer of ownership at the request of the Public Authority for Minors Affairs, and the merger of the shares to the parent or guardian.
4. The transfer of ownership to and from companies licensed to manage third party portfolios for the purpose of depositing in or withdrawal from the portfolio, once it is for the same customer.
5. Transfer of ownership by a court judgment or arbitration decisions enforceable regarding any of the above events.

In these events, transfer of ownership shall be made by request to be submitted by the parties to the transaction to the Clearing Agency, who shall verify that one of the events referred to under this article applies, and identify the parties to the transaction and their legal representation, and the documents supporting the ownership, and that no legal or contractual violations or restriction exist to prevent completion of the transfer of ownership.

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3

Chapter Three Trading Cycle

Article 3.10 Corporate Actions

1. The Exchange may adjust or modify the Reference Price based upon the procedures relating to the Corporate Actions, at the time and through the method referred to in the Index Rule Book.
2. The listed company shall announce in The Exchange the time schedule relating to the Corporate Actions or any modification thereto. The time schedule shall specifically show the Cum-Date, Ex-Date, Record Date, and payment date (if applicable). In the event of bonus share distribution, the date on which such new shares will be distributed in the shareholders registers shall be identified. Further, the date of beginning and end of subscription periods for capital increase should be announced, along with the payment date.
3. The listed company shall confirm the announcement of the Corporate Actions or any modification of the time schedule at least eight days prior to the Record Date.
4. Corporate Actions shall apply to shareholders registered in the shareholders register at the end of the Record Date.

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