

Resolution No. (9) of 2014
of CMA Board of Commissioners

Regarding

Rules of the Investment Fund Purchase of a Security Issued by the Company
which is Managing the Fund or Any of its Subsidiaries or Whose Fund Manager
is its Underwriting Manager or Sale Agent

Having Perused:

- Law No. (7) of 2010 regarding the Establishment of Capital Markets Authority and Regulating Securities' Activity, and the Executive Bylaw thereof and its amendments; and
- Resolution No. (20) issued on 9/5/2013 regarding Rules of the Investment Fund Purchase of a Security for a Party Whose Fund Manager is the Underwriting Manager or the Sale Agent ; and
- For the enforcement of the provisions of Article (345) of the executive Bylaw of Law No. 7 of 2010 which are in this regard; and
- Based on the CMA's Resolution passed in its meeting No. (4) of 2014 held on 19/2/2014 regarding the agreement on issuing these Rules;

The Following Was Resolved

Article (1): The provisions of this Resolution apply on each investment fund seeking to purchase securities issued by the company managing the fund, or any of its subsidiaries according to the following:

- 1) The Articles of Association shall permit the fund to invest the investment fund's assets in securities issued by the company which is managing the fund, or any of its subsidiaries.
- 2) The Board of Director's approval shall be obtained before the purchase.
- 3) The total amount of securities invested by the investment fund and all other funds which are managed by the fund manager shall not exceed 10% of the total value of securities issued by the company which is managing the fund, or any of its subsidiaries, except the investment funds that follow a certain indicator according to their Articles of Association.

Article (2): The provisions of this Resolution shall apply on the investment funds seeking to purchase any security for the party whose fund manager is the underwriting manager or sale agent according to the following:

1 | Rules of the Investment Fund Purchase of a Security Issued By the Company Managing the Fund or Any of Its Subsidiaries or Whose Fund Manager is its Underwriting Manager or Sale Agent

- 1) The investment fund may not purchase any security for the party whose fund manager is the underwriting manager or sale agent. The prohibition mentioned in the previous Item does not apply after the end of the fund manager's term as a securities' underwriting manager or its sale agent.
- 2) In all cases, the investment fund may not purchase a security in a public or private offer which the fund manager or any of its subsidiaries committed to cover.

Article (3): Resolution No. (20) issued on 9/5/2013 Regarding Rules of the Investment Fund Purchase of a Security for a Party Whose Fund Manager is the Underwriting Manager or the Sale Agent shall be cancelled.

Article (4): This Resolution shall come into force from the date of its issuance.

Saleh Mubarak Al-Falah

Chairman, CMA Board of Commissioners

Issued on 3/3/2014