

Saudi Stock Exchange (Tadawul)

**Procedures of Suspending the Trading of Listed Securities in accordance to the
Listing Rules**

*Approved by the Board of the Capital Market Authority Pursuant to its Resolution
Number (1-10-2019) Dated 24/05/1440H corresponding to 30/01/2019G*

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Scope and Application

- a. The purpose of these procedures is to clarify the mechanism of suspending the trading of listed securities, in accordance with Article 38, and sub-paragraphs (1), (2), (3), and (6) of paragraph (c) of Article 36 of the Listing Rules, in any of the following circumstances:
 1. Temporary trading halt based on the issuer's request.
 2. Upon the issuer's non-compliance with the disclosure of its periodic financial information within the specified period pursuant to the relevant Implementing Regulations.
 3. When the auditor's report on the financial statements of the issuer includes an adverse opinion or a disclaimer of opinion.
 4. Upon a resolution issued by the Extraordinary General Assembly of the issuer reducing the issuer's capital for the two trading days following the issuance of the resolution.
- b. These procedures shall not prejudice the provisions of the Capital Market Law, its Implementing Regulations, Exchange Rules, and the relevant regulations.
- c. Taking any action stated in these procedures shall not change the imposition of decided sanctions on the issuer in case of violating the provisions of the Capital Market Law, its Implementing Regulations, and the Exchange Rules.

Procedures for Suspending the Trading of Listed Securities:

First: Temporary trading halt based on the issuer’s request

Pursuant to Article 38 of the Listing Rules, an issuer may request a temporary trading halt from the Exchange upon the occurrence of an event that occurs during trading hours which requires an immediate disclosure under the Capital Market Law, its Implementing Regulations and the Exchange Rules, and the issuer cannot maintain the confidentiality of this information until the end of the trading period, according to the following procedure:

<p>Procedure Description</p>	<ol style="list-style-type: none"> 1. The issuer applies through its appointed representatives to the Exchange for a temporary trading halt of his listed securities at least half an hour before the start time of the trading halt determined by the issuer. The request must contain the following: <ol style="list-style-type: none"> a. Trading halt start time. b. Trading halt duration. c. Reasons for requesting the trading halt. 2. Once the Exchange validates the information stated in the request, the Exchange shall execute the trading halt immediately. 3. The Exchange announces on its website the temporary trading halt based on the issuer’s request. 4. The issuer must disclose to the public as soon as possible the reasons for the trading halt, the estimated period of the trading halt and the event that has led to it and the extent to which it affects the issuer’s activities. 5. In the case that the issuer was unable to announce the event before the end of the period specified in the request, the issuer must announce the reasons before the end of that period. 6. The Exchange shall lift the trading halt at the end of the period specified in the request, unless the CMA or the Exchange decides otherwise.
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Second: Suspend the trading of listed securities upon the issuer’s non-compliance with the disclosure of its periodic financial information (Interim or Annual)

Pursuant to subparagraph (1) of paragraph (c) of Article 36 of the Listing Rules, The Exchange will suspend the trading of an issuer’s listed securities upon its noncompliance with the disclosure of its periodic financial information within the specified period pursuant to the relevant Implementing Regulations, according to the following procedure:

<p>Procedure Description</p>	<ol style="list-style-type: none"> 1. In case of an issuer fails to publish its periodic financial information within the specified period pursuant to the relevant Implementing Regulations. The Exchange will suspend the trading of the listed securities for one trading day after the reporting period deadline, and announce the suspension reason with clarifications that these procedures apply on the issuer. 2. Issuer must announce its non-compliance to the disclosure of its periodic financial information before reporting period deadline pursuant to the relevant Implementing Regulations on the Exchange’s website with clarifications that these procedures apply to the issuer. 3. The trading of the issuer’s securities resumes for 20 trading sessions following the suspended trading session, the issuer must announce its periodic financial information during this period. 4. In case of the issuer does not publish its financial information within the period mentioned in point (3) above, the Exchange shall suspend the issuer’s listed securities again until announcing its periodic financial information. 5. The Exchange will lift the suspension on the trading of the issuer’s listed securities after one trading day from the issuer’s announcement of its periodic financial information. 6. In case the suspension of listed securities continues for one month, the issuer may request to trade its securities over the counter. 7. In case the suspension of listed securities continues for six months and the issuer did not take appropriate actions to resolve the suspension, the CMA may cancel that issuer’s listed security.
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Third: Suspend the trading of listed securities when the auditor's report on the financial statements of the issuer includes an adverse opinion or a disclaimer of opinion

Pursuant to subparagraphs (2) and (3) of paragraph (c) of Article 36 of the Listing Rules, the Exchange will suspend the trading of the issuer's securities when the auditor's report on the financial statements of the issuer includes an adverse opinion or a disclaimer of opinion, according to the following procedure:

<p>Procedure Description</p>	<ol style="list-style-type: none"> 1. Issuer announces the financial statement that includes an adverse opinion or a disclaimer of opinion through the Exchange's website with clarifications that these procedures apply to the issuer. 2. The Exchange will suspend the trading of the issuer's securities for one trading session following the issuer's announcement. The Exchange will announce the suspension reasons with clarifications that these procedures apply on the issuer. 3. The trading of the issuer's securities resumes for 20 trading sessions following the suspended trading session. The issuer shall announce the elimination of the auditor's statement during the 20 trading sessions. 4. In case the auditor's statement was not eliminated within the period referred to in point (3) above, the Exchange shall announce and suspend the issuer's securities until the auditor's statement is eliminated. 5. The Exchange shall announce and lift the suspension following one trading session of the issuer's announcement on the elimination of the auditor's statement. 6. If the suspension of the securities exceeded a period of one month, the issuer may request trading its securities Over The Counter. 7. If the suspension lasts for a period of 6 months and the issuer did not take appropriate actions to resolve the reasons that led to the suspension, the CMA may cancel the issuer's securities.
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Fourth: Suspension of trading of listed securities upon a resolution issued by the extraordinary general assembly of the issuer reducing the issuer's capital

Pursuant to subparagraph (6) of paragraph (c) of Article 36 of the Listing Rules, The Exchange will suspend the trading of the issuer's securities for two trading sessions following the issuer's extraordinary general assembly resolution of reducing the issuer's capital, according to the following procedure:

<p>Procedure Description</p>	<ol style="list-style-type: none"> 1. The Exchange will suspend the trading of the issuer's securities for two trading sessions following the issuance of the extraordinary general assembly resolution. 2. The Exchange announces the securities suspension through its website. 3. The Exchange will lift the suspension after two trading sessions following the extraordinary general assembly resolution issuance.
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