

# **Bahrain Investment Market (BIM) Rules**

**October 2016**

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## Glossary

In implementing the provisions of the Bahrain Investment Market (“BIM”) Rules, the following terms and expressions shall have the meanings assigned to them below unless the context requires otherwise.

Term	Definition
"Admission"	Admission of Equity Securities to the Official List of BHB in relation to BIM
"Associate(s)"	A company or other enterprise, which is not a subsidiary or joint venture, over which the Issuer has significant influence. Significant influence means the power to participate in financial and operating policy decisions. Such influence is presumed to exist if the Issuer owns more than 20 percent of the associate
"BHB"	Bahrain Bourse
"BHB Market Rules"	BHB’s Main Board Market Rules governing membership, trading, supervision and arbitration on BHB’s market. These rules are applicable only to those institutions accepted as members or who are otherwise authorized to conduct transactions on BHB. Issuers are not subject to these rules unless such company is also a member of BHB
"BIM"	A market operated by the BHB for growing companies seeking access to growth capital
"BIM Rule(s)", "Rules"	The Rules as set out in this rulebook governing listing, trading, and supervision on BIM. These Rules are applicable only to those institutions accepted for Admission
"Board of Directors"	The Board of Directors of an Issuer
"CBB"	Central Bank of Bahrain
"Class"	Equity Securities holding identical rights
"Closed Shareholding Company"	Refers to the form of commercial company incorporated in the Kingdom of Bahrain as stipulated under the Kingdom of Bahrain Commercial Companies Law of 2001
"Controlling Interest"	The interest of the Controlling Shareholder(s)
"Controlling Shareholder"	A controlling shareholder is a natural or legal person who either alone, or with his Associates: <ul style="list-style-type: none"> <li>a) Holds 10% or more of the Equity Securities in the Issuer or is able to exercise (or control the exercise of) 10% or more of the voting power in the Issuer; or</li> <li>b) Holds 10% or more of the Equity Securities in a parent undertaking of the Issuer, or is able to exercise (or control the exercise of) 10% or more of the voting power in the parent</li> </ul>

	undertaking; Or is able to exercise significant influence over the management of the Issuer or parent undertaking.
“CSD”	Central Securities Depository
“Disciplinary Board”	The Committee appointed by the Board of Directors of BHB to exercise the powers in Section 9 of the Market Rules
“Directives”	Rules prescribing practices or requirements that BHB may enact from time to time and approved by the CBB to supplement the BHB Rulebook
“Director(s) & Senior Management”	Includes any member of senior management, regardless of title, including: <ul style="list-style-type: none"> <li>a) The issuer's directors;</li> <li>b) General Manager, Chief Executive Officers, Presidents, Heads of Finance, Heads of Business Departments;</li> <li>c) Partners with unlimited liability, in the case of a limited partnership with share capital;</li> <li>d) Nominees to serve in any of the aforementioned positions; and</li> <li>e) Founders, if the issuer has been established for fewer than two years</li> </ul>
“Emergency Rules”	Any new temporary Rules that may be imposed by BHB at any time as per the BHB Market Rules
“Equity Security(ies)”	For the purpose of listing on BIM, equity securities refers to ordinary shares only
“Founders”	Founders refers to the same Persons as stipulated in the Kingdom of Bahrain Commercial Companies Law of 2001
“Group”	A parent company and all its subsidiaries. References to an Issuer's group mean the group of which it is a member
“ISIN”	An International Securities Identification Number (ISIN) that uniquely identifies a security
“Listing Applicant” or “Issuer”	Any legal entity whose Equity Securities are the subject of an application for Admission to BIM, or has been admitted to listing on BIM
“Listed”	Admitted to the Official List of BHB and not removed
“Listing Document”	A document issued in connection with an application for Admission to the BIM
“Main Board Market”	The trading market for all equity securities and other securities as decided by BHB from time to time, referred to in the BHB Market Rules as ‘regular market’, subject to Article 86 of the CBB Law
“Rulebook”	The BHB Rulebook comprising the Market Rules, Listing Rules and CSD

	Rules
“Sale of Securities”	The process of sale of securities for the purpose of raising capital on a best effort basis through a Sponsor or and either with or without an underwriter
“Sponsor”	A company that is authorized by BHB and registered with BHB in accordance with the BIM Rules to act on behalf of an Issuer and to undertake the initial listing activities (e.g. sale of securities, assessment of listing eligibility, etc.), and post-listing activities (e.g. advising the Issuer on compliance with the BIM requirements, announcements, etc.) for the Issuer
“Substantial Shareholder”	Any person whose ownership alone or his ownership together with that of his minor children, or any other accounts under his disposal or the ownership of any of his Associate or affiliate companies amounts to 5% or more of any Listed BIM company
“Trading Day”	A day in which BHB is open for trading in BIM Listed Equity Securities

## Section 1 - Introduction

- 1.1. Bahrain Investment Market (“BIM”) is the BHB’s international market for companies seeking access to growth capital.
- 1.2. These Rules have been ascertained in order to create a transparent and well-organized podium for companies seeking access to growth capital.
- 1.3. The Rules are interpreted, administered and enforced by BHB.
- 1.4. An Issuer Listed on the BIM must comply with the Rules.
- 1.5. BHB may, at its sole discretion, impose additional requirements or make any Admission subject to special conditions as it deems fit.

## Section 2 - General Rules

### 2.1. Operation of BHB

Bahrain Bourse is an exchange licensed by the CBB as a self-regulatory organization, which operates the market and provides other services in accordance with these BIM Rules and the BHB Rulebook.

### 2.2. Powers of BHB

- 2.2.1. With regards to the listing application of BIM, BHB may exercise all such powers and do all such acts and things as may be exercised by an exchange acting as an agent of the CBB.
- 2.2.2. Any Emergency Rules made and imposed by BHB in accordance with the BHB Market Rules, shall pursuant to such powers, be binding on all Issuers on the BIM for such period and in accordance with the terms and conditions as stipulated by BHB.
- 2.2.3. BHB may reject a Listing Applicant's application for listing on BIM if it does not comply with these Rules and the Admission requirements within 60 days from the date of submission with its reasons for rejection. The Listing Applicant whose application has been rejected has the right to be heard by BHB within 60 days from the date of being notified of the rejection.
- 2.2.4. Subject to Rule 2.7, BHB may waive or modify compliance with a Rule (or part of a Rule) either generally or to suit the circumstances of a particular case. The BHB may grant a waiver subject to such conditions, as it considers appropriate. If the BHB waives a Rule (or part of a Rule) subject to a condition, the condition must be satisfied for the waiver to be effective. Where a waiver is granted, the Issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable. Applications for waivers must be submitted through the Issuer's Sponsor.
- 2.2.5. BHB may halt, suspend trading and delist an Issuer in accordance with the BHB Rulebook.

### 2.3. Covenants to Observe Rules

- 2.3.1. These Rules are interpreted, administered and enforced by the BHB, which shall be enforceable upon companies seeking admission or have been admitted to the BIM.
- 2.3.2. These Rules shall have the effect of a contract under seal between BHB and Issuers under which:
  - A. each Issuer covenants with BHB to observe the Rules and to perform obligations which the Rules purport to impose on the Issuer, in the manner provided by the Rules;

- B. BHB covenants with each Issuer to observe the Rules and to perform the obligations which the Rules purport to impose on BHB, in the manner provided in the Rules; and
- C. each Issuer covenants with BHB, unless otherwise determined by BHB, to comply and adhere to Section 6 and Section 7 of the BHB Market Rules with respect to Market Structure and Settlement.

#### **2.4. Defects, Irregularities and Deficiencies**

2.4.1. A decision, resolution, proceeding or act of BHB under these Rules is not invalidated by any:

- A. defect;
- B. irregularity; or
- C. deficiency,

of notice or time unless:

- A. an Issuer concerned by the defect, irregularity or deficiency requests BHB to resolve that the decision, resolution, proceeding or act is invalid;
- B. BHB reasonably believes that the defect, irregularity or deficiency has caused or may cause substantial injustice which cannot reasonably be avoided; and
- C. BHB accordingly resolves that the decision, resolution, proceeding or act is invalid.

#### **2.5. Disciplinary Board**

The Disciplinary Board of BHB shall be responsible for adjudicating on any alleged violation of the rules and regulations of BHB and determine penalties to be imposed against members of BHB and Issuers as stipulated in Section 9 of the BHB Market Rules.

#### **2.6. Partial Invalidity of Rules**

If any of the provisions of these Rules become at any time illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, the legality, validity or enforceability of the remaining provisions of the Rules, and the legality, validity or enforceability of the provision under the law of any other jurisdiction shall not be affected or impaired in any way.

#### **2.7. Review of the Rules**

- 2.7.1. BHB may impose additional requirements or make any listing subject to special conditions whenever it considers it appropriate.
- 2.7.2. These Rules may be amended by BHB from time to time, subject to such approval as may be required by the applicable laws. BHB may, from time to time, issue Directives or amend existing Directives to provide guidance on the interpretation and application of any Rule or a more detailed prescription of a Rule. BHB may



from time to time issue a best practices guide relating to corporate governance matters, and may amend such best practices guide.

## **2.8. Application of Rules**

- 2.8.1. An Issuer shall ensure that its Directors and Senior Management are responsible for the Issuer's compliance with the Rules. The Sponsor shall advise the Board of Directors of the Issuer on the compliance with the Issuer's obligations set out in these Rules and any other applicable BHB Rules. Unless referred to the Disciplinary Board, the decisions and requirements of BHB are conclusive and binding on the Issuer. BHB may at any time vary its decision in any way, or revoke it. It may do so upon the application of the Issuer or of its own accord and at its absolute discretion. The variation or revocation will take effect from the date specified by the BHB.
- 2.8.2. A Sponsor shall ensure that its Directors and Senior Management are responsible for the Sponsor's compliance with the Rules. Unless referred to the Disciplinary Board, the decisions and requirements of BHB are conclusive and binding on the Sponsor. BHB may at any time vary its decision in any way, or revoke it. It may do so upon the application of the Sponsor or of its own accord and at its absolute discretion. The variation or revocation will take effect from the date specified by BHB.

## **2.9. Fees and Charges**

- 2.9.1. Issuers must pay all fees, commissions and charges as prescribed by BHB. BHB may reduce or waive any fee, commission, or charge.
- 2.9.2. BHB may modify any fees, commissions and charges at any time.

## **2.10. Liability of BHB**

- 2.10.1. When BHB publishes or releases an Issuer's announcement on its behalf, BHB shall not be responsible to check the accuracy of the facts or any of the contents of such announcement, and shall not be liable for any damages or losses however arising as a result of publishing the announcement or disseminating the information in the announcement. The Issuer shall indemnify and hold harmless BHB and its Directors and employees for any such losses or damages or costs (including attorney's fees), including any arising as a result of legal proceedings brought by any third party.
- 2.10.2. Neither BHB nor any employee of BHB, nor any member of the Board of Directors or the Disciplinary Board is liable to any Sponsor applicant or Sponsor (including any director, officer, registered professional, employee or agent of the Sponsor) for performing its functions under the Rules provided that there is no willful misconduct, gross negligence, or fraud. This limitation of liability extends to any actions whether in contract or tort or otherwise, and applies even in the purported performance of a function in good faith.

## Section 3 - Admission to BIM

### 3.1. Scope of Section

This Section sets out the requirements and procedures for a Listing Applicant seeking Admission to the BIM, and the sale of its Equity Securities.

### 3.2. General Requirements

- 3.2.1. A Listing Applicant applying for Admission to BIM and the sale of its Equity Securities must do so through a Sponsor.
- 3.2.2. A Listing Applicant shall appoint a Sponsor approved by the BHB in order to be eligible for Admission on BIM.
  - A. a Sponsor shall have adequate standards of quality, systems, resources, experience and expertise to comply with the Rules, which includes assessing the suitability of companies for listing on the BIM and advising Issuers on compliance with the Rules;
  - B. an Issuer shall have adequate standards of quality, operations, management experience and expertise;
  - C. all holders of Listed Equity Securities shall be treated fairly and equitably; and
  - D. BHB reserves the right to subject a Listed Issuer's change in principal business to the BHB's approval if in the BHB's opinion:
    - i. the integrity of the market may be adversely affected; or
    - ii. it is in the interest of the public to do so.
- 3.2.3. An Issuer shall retain a Sponsor at all times and seek advice from its Sponsor regarding compliance with the Rules wherever appropriate, giving due consideration to such advice.
- 3.2.4. An Issuer shall ensure that its Directors accept responsibility, collectively and individually, for the Issuer's compliance with the Rules.
- 3.2.5. Directors and proposed Directors of a Listing Applicant (following Admission, the Issuer) are responsible for the accuracy of the information submitted to BHB. Generally, BHB expects information to be submitted through the Sponsor, unless otherwise required by BHB. The Sponsor shall exercise due care and diligence in respect of all information that is submitted through it. BHB must be kept informed of all matters which should be brought to its attention.
- 3.2.6. A Listing Applicant seeking Admission to BIM must submit, through its Sponsor, the applicant's Listing Agreement.
- 3.2.7. BHB will normally admit a Listing Applicant to BIM on receipt of conforming documents from the Sponsor. However, BHB may, in its absolute discretion,

impose conditions on an Admission or delay or refuse an Admission or vary any condition(s) imposed.

3.2.7.1. A Listing Applicant must be lawfully incorporated in accordance with the prevailing laws and regulations of the Kingdom of Bahrain or outside of the Kingdom of Bahrain, as applicable.

3.2.7.2. A Listing Applicant shall appoint BHB as its share registrar.

3.2.8. While an Issuer remains on the BIM, it must comply with the Rules.

3.2.9. In addition to the Admission requirements, Listing Applicants in specialized industries may be required to meet additional requirements.

3.2.10. At the time of the submission of the application, the number of shareholders must be at least 3.

3.2.11. The Listing Applicant's Sponsor must submit the Sponsor's Declaration Statement required (refer to Appendix B) confirming that the Listing Applicant is suitable for Admission and complies with the Rules.

3.2.12. A Listing Applicant must lodge the Listing Document with BHB acting as an agent of the CBB.

3.2.13. Any lawfully registered Closed Shareholding Company in the Kingdom of Bahrain may be eligible for listing without going through the process of Sale of Securities (i.e. without an underwriter), subject to BHB's approval.

### **3.3. Quantitative Criteria**

3.3.1. A Listing Applicant seeking Admission to BIM does not need to meet any market capitalization requirements.

3.3.2. The minimum paid-up capital required for Admission to BIM is BD 250,000 or its equivalent in other currencies or as specified by BHB from time to time.

3.3.3. The Listing Applicant must have sufficient working capital for the present requirements and continuously available for at least 12 months after listing.

3.3.4. The Listing Applicant must be established as a Closed Shareholding Company in the Kingdom of Bahrain or its equivalent in other jurisdictions.

3.3.5. BHB may publish specific additional requirements or other criteria for different types of Listing Applicants in specialized industries.

### **3.4. Directors and Management**

3.4.1. The Director(s) and Senior Management of a Listing Applicant should have appropriate experience and expertise to manage the Group's business.

3.4.2. The character and integrity of the Directors, management and Controlling Shareholders of the Listing Applicant will be a relevant factor for consideration in considering whether the Directors, management and Controlling Shareholders have the character and integrity expected of an Issuer.

### **3.5. Restriction on Founders' Sale of Equity Securities**

- 3.5.1. All Founders are subject to a two year lock-up period starting from the date of listing.
- 3.5.2. At the time of listing and Sale of Securities, all Founders in aggregate should hold at least 30% of the Issuer's post listing share capital during the lock-up period.

### **3.6. Requirements for Listing Document**

A Listing Document must meet the requirements outlined in Appendix F.

### **3.7. Transfers between BIM and Main Board Market**

- 3.7.1. Transfers from BIM to Main Board Market
  - 3.7.1.1. A BIM Issuer may apply to BHB in writing for its transfer to the Mainboard Market, subject to the CBB's approval. BHB may allow the transfer if the Issuer meets the following Mainboard listing requirements:
    - A. The Issuer has been listed on the BIM for at least a six month period.
    - B. The Issuer meets the paid up capital requirements as prescribed by BHB.
    - C. The nominal value of issued shares has been paid in full.
    - D. The Issuer meets all other listing requirements that BHB may prescribe from time to time.
    - E. The Issuer must provide to BHB an undertaking statement to comply with all the BHB's rules and Directives applicable to Issuers Listed on the Main Board Market.
    - F. The Issuer's shareholders have approved the transfer by way of a resolution of an Extraordinary General Meeting.
    - G. The Issuer is in compliance with all applicable BHB Main Board Market Rules.
    - H. For the purpose of the transfer, a Listing Applicant may be required to increase the proportion of its issued and paid-up capital available for trading to meet the minimum shareholding spread requirements applicable to Main Board Market Listing Applicants.
  - 3.7.1.2. A transfer from BIM to Main Board Market is not treated as a delisting, but as a reclassification.

### **3.8. Dematerialised Equity Securities**

- 3.8.1. Equity Securities issued must have an allocated ISIN and be in dematerialised form.

3.8.2. The Issuer is required to arrange with the CSD for the deposit of its Equity Securities.

### **3.9. Listing Requirements for Non-Bahraini Listing Applicants**

A Non-Bahraini Applicant must release all information and documents to BHB in English. This also applies after listing. Additionally, a confirmation must be made to the Sponsor that an announcement will be made via BHB website as soon as there is any change in the law of its place of incorporation which may affect or change shareholders' rights or obligations over its Equity Securities.

### **3.10. Currency Quotation**

When considering the currency of issue, Issuers may issue Equity Securities denominated in Bahraini Dinars, currencies of the Gulf Cooperation Council (GCC), or United States Dollars (US\$).

### **3.11. Methods of Sale of Securities**

#### **3.11.1. General**

3.11.1.1. A Listing Applicant may be admitted to BIM by distributing its Equity Securities through the "Sale of Securities" to the public without the use of an underwriter subject to its compliance with these Rules and such other conditions as BHB may consider appropriate.

3.11.1.2. The proportion of post listing share capital held by the public should be at least 10% from the Issuer's paid-up capital.

3.11.1.3. BIM listed companies which propose to make an issue of Sale of Securities without an underwriter, must consult BHB as early as possible through their Sponsor.

3.11.2. At the time of Sale of Securities, the Issuer's Founders and its Directors are restricted from selling their Equity Securities to the public for a minimum lock-up period of two years. Placement Tranche

3.11.2.1. The Sponsor, or their discretionary managed portfolios (whether proprietary or not) must not be allocated or allotted more than 25% of the Equity Securities made available for placement by each of them respectively. Any allocation or allotment to such parties must be disclosed.

3.11.2.2. The Listing Applicant may reserve up to 25% of the offered Equity Securities for allocation and allotment to its employees, Directors, customers, suppliers and persons who have contributed to the success of the Listing Applicant.

- 3.11.2.3. In the event of sale of Preference Equity Securities offered at a discount, a lock-up period of three years must apply.

### 3.11.3. Disclosure of Sale of Securities

If any of the following persons acquires an interest (whether directly or through a nominee) in the Equity Securities being marketed, their respective aggregate interest and the circumstances resulting in the acquisition of the interest must be announced via BHB's website before listing of the Listing Applicant's Equity Securities:

- A. each Director and his associates;
- B. each Substantial Shareholder and his associates;
- C. the Sponsor;
- D. the underwriter;
- E. the lead broker;
- F. Any distributor.

### 3.11.4. Sale of Securities Period

The Sale of Securities period cannot be less than 10 working days after the day of commencement of the sale and must not exceed a maximum period of 6 months, which may be extendable upon BHB's approval.

## 3.12. Admission and Listing Procedures

- 3.12.1. A BIM company must appoint a Sponsor to carry out the Sale of Securities in order to be considered for Admission & listing on BIM.
- 3.12.2. A Sponsor may consult BHB to resolve specific issues prior to the submission of a listing confirmation. Unless BHB prescribes otherwise, the Listing Applicant must comply with the requirements set out in Appendix B.
- 3.12.3. In normal circumstances BHB will rely on the listing confirmation in Appendix A – Sponsor's Declaration Statement. However, BHB may refuse or delay an Admission or any Sale of Securities at any point prior to listing, notwithstanding that it receives a listing confirmation and notwithstanding that the Listing Document has been registered by BHB, if in BHB's opinion:
  - A. the reputation of BHB or the integrity of the market may be adversely affected;
  - B. doubt exists, or apparently sustainable allegations are made, as to the integrity of a Director, Executive Officer or Controlling Shareholder of the Listing Applicant;
  - C. doubt exists as to the accuracy or completeness of the information in the Listing Document. While BHB does not review these documents, it

may undertake sample perusal or receive information from third persons;

- D. any submission or lodgment that is required under the Rules is inaccurate or incomplete;
- E. the Rules are not complied with; or
- F. it is in the interest of the public to refuse or delay the Admission.

3.12.4. The Sponsor must ensure that it has considered all information that is material to its decision on the application. BHB may require the Sponsor to undertake additional due diligence.

## **Section 4 - Sponsors**

### **4.1. Scope of Section**

This Section sets out the requirements for Sponsors.

### **4.2. General Requirements**

- 4.2.1. An Issuer must have only one Sponsor at a time.
- 4.2.2. Communications between BHB and the Issuer will be conducted through the Sponsor. However, BHB may deal directly with the Issuer if, in its opinion, circumstances warrant.
- 4.2.3. An Issuer must ensure:
  - A. that its written contract with its Sponsor includes the minimum terms to the effect of Appendix D; and
  - B. the mandate it gives its Sponsor is sufficient to enable the Sponsor to fully discharge its obligations under these Rules.

### **4.3. Acceptance of Sponsors**

- 4.3.1. To be eligible for registration as a Sponsor, an applicant must meet the following eligibility criteria, in addition to any legal and regulatory requirements:
  - A. have established and operate out of a physical office within the Kingdom of Bahrain;
  - B. must be legally established under the law of the Kingdom of Bahrain;
  - C. have, in BHB's opinion, a satisfactory reputation and work record in all places where it has operated;
  - D. not be in breach of any relevant rule or law in any place where it operates, including being the subject of any disciplinary proceedings, or any investigation which might lead to disciplinary action by any regulatory authority. BHB will normally not accept an applicant if complaints, warning letters, fines, private or public censures or reprimands, or other disciplinary action by any regulatory authority has occurred in the last 2 years; and
  - E. upon registration, be independent of, and have no conflicts of interest with, the entities it sponsors.
- 4.3.2. BHB has absolute discretion concerning the acceptance of an applicant as well as the revocation of Sponsor's registration. A Sponsor must continue to meet the criteria for registration and any other conditions or restrictions imposed by BHB, at all times.

### **4.4. Application Process**

- 4.4.1. To apply to be a Sponsor, an applicant must:



- A. submit to BHB the completed form in Appendix C (Sponsor's Application Form); and
  - B. Pay the required registration and annual fees.
- 4.4.2. The application will be subject to the eligibility criteria being checked for fulfilment.
- 4.4.3. BHB may require an applicant to provide any additional information or documents it requires for consideration of the application.
- 4.4.4. BHB may make inquiries of other regulatory authorities or third parties in connection with the application.

#### **4.5. Rights and Obligations of Sponsors**

- 4.5.1. A Sponsor must comply with the following general obligations:
- A. Maintain eligibility, including the following:
    - i. ensure that it continues to fulfil the eligibility criteria in Rule 4.3.1 , and such conditions imposed by BHB;
    - ii. notify BHB immediately if it ceases to fulfil any of the eligibility criteria or conditions imposed by BHB, or has reason to believe that it will cease to do so; and
    - iii. keep up to date with the requirements of the Rules and the law, and professional standards relevant to the fulfilment of its responsibilities, including a sound understanding of the underlying legal and regulatory framework of the Kingdom of Bahrain's corporate finance market and BIM in particular.
  - B. Liaise with BHB on matters which should be brought to its attention, including the following:
    - i. notify BHB when it accepts sponsorship of an Issuer and in the event of change of Sponsor (see Appendix F);
    - ii. provide any information required by BHB as soon as practicable, ensuring reasonably, that such information is correct, complete and not misleading. If subsequently it reasonably believes that the information provided does not meet this standard, notify BHB as soon as practicable, and correct the information; and
    - iii. seek BHB's advice if it is unsure about the application or interpretation of the Rules or if a situation may adversely affect the reputation of BHB or integrity of the market. BHB will generally not accept enquiries from a Sponsor on an anonymous basis.
  - C. Have adequate systems and resources to discharge its obligations under the Rules.
  - D. Ensure that communications with BHB are kept confidential, except as required by the regulator or law.

- 4.5.2. An Issuer must retain a Sponsor at all times. The Issuer must retain the initial Sponsor for at least 3 years after Admission of the Listing Applicant, or the enlarged Group. If the Issuer terminates the initial Sponsor, a new Sponsor must be appointed to replace the initial Sponsor and to maintain ongoing obligations of the Issuer.
- 4.5.3. BHB may require a Sponsor to submit any records, documents or communication to establish whether the Sponsor continues to be eligible.
- 4.5.4. BHB may take one or more of the actions in Rule 4.5.5. if:
  - A. in BHB's opinion, a Sponsor is unable to or has failed to comply with the Rules;
  - B. a Sponsor is in breach of any relevant Rule or law in any place where it or he operates, including being the subject of any disciplinary proceedings, or any investigation which might lead to disciplinary action by any regulatory authority; or
  - C. It is otherwise in the interests of BHB or markets established or operated by BHB.
- 4.5.5. Subject to Rule 4.5.4. BHB may take one or more of the following actions against a Sponsor or Sponsor's authorized representatives:
  - A. reprimand the Sponsor or Sponsor's authorized representatives privately or publicly;
  - B. require an education program to be undertaken;
  - C. require rectification measures to be taken by the Sponsor or Sponsor's authorized representatives;
  - D. require the Sponsor to operate its business, or a Sponsor's authorized representatives to undertake Sponsor activities, subject to such restrictions or conditions as BHB decides;
  - E. suspend the Sponsor from specified or all activities as a Sponsor, for a period that BHB decides. The suspension shall be announced to the market; or
  - F. terminate the Sponsor registration with BHB and notify the Issuer to appoint another Sponsor.

## Section 5 - Ongoing Obligations

### 5.1. Scope of Section

This Section sets out continuing requirements which an Issuer on BIM is required to observe once admitted.

### 5.2. Immediate Announcements

An Issuer must release all announcements via BHB's website, unless specified otherwise.

### 5.3. Disclosure of Material Information

- 5.3.1. An Issuer shall comply with the provisions of the CBB Disclosure Standards unless otherwise provided for in these Rules.
- 5.3.2. An Issuer on BIM changing its share capital must notify BHB immediately.
- 5.3.3. An Issuer must announce any information known to the Issuer concerning it or any of its subsidiaries or Associates which:
  - A. is necessary to avoid the establishment of a false market in the Issuer's Equity Securities; or
  - B. Would be likely to materially affect the price or value of its Equity Securities.
- 5.3.4. An Issuer that intends to make a capitalisation issue or split of Equity Securities must promptly make an announcement, stating the terms of the issue or the split. No date must be fixed for the closing of books until BHB agrees on specified date.

### 5.4. Periodic Reports

- 5.4.1. Financial Statements
  - 5.4.1.1 An Issuer must announce the audited financial statements for the full financial year immediately after the figures are available, but in any event not later than 90 calendar days after the relevant financial period.
  - 5.4.1.2 An Issuer must announce the interim financial statements (half-yearly review) not later than 45 calendar days after the relevant financial period-end.
  - 5.4.1.3 The time between the end of an Issuer's financial year and the date of its annual general meeting must not exceed six months.
  - 5.4.1.4 The financial statements and future periodic financial reports must be prepared in accordance with International Financial Reporting Standards ("IFRS"), or Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"), or any other accounting standard acceptable to BHB.
- 5.4.2. Appointment of Auditors
  - 5.4.2.1. An Issuer must appoint an auditing firm to meet its audit obligations.
  - 5.4.2.2. An Issuer's annual financial statements must be audited in accordance with the international auditing standards issued by International Auditing Practices Committee of the International Federation of Accountants.

## 5.5. Other Obligations

### 5.5.1. Suspicious Activity

An Issuer must have sufficient internal controls to ensure that any suspicious money laundering or terrorism financing activity is duly reported to the relevant authorities as per the Anti-Money Laundering & Combating Financial Crime (AML) Module of Volume 6 of the CBB Rulebook.

### 5.5.2. Free Float

- 5.5.2.1. After a Sale of Securities, the Issuer must ensure that at least 10% of the total number of issued Equity Securities is at all times held by the public.
- 5.5.2.2. If the percentage of Equity Securities held by the public falls below 10% the Issuer must, as soon as practicable:
  - A. Notify BHB
  - B. notify its Sponsor; and
  - C. issue an announcement to the public.

### 5.5.3. Share Pledging Arrangements

In accordance with CBB's Resolution No. 59 of 2011 and its amendments, an Issuer must inform BHB immediately of any share pledging arrangements relating to the underlying Equity Securities and of any event which may result in a breach of the Issuer's loan provisions. In particular, the following information must be disclosed:

- A. The name of the shareholder whose Equity Securities are being pledged;
- B. The Class and number of Equity Securities and the percentage of the Issuer's issued share capital that is the subject of the share interest;
- C. The party or parties in whose favor the share interest is created or financial instrument given; and
- D. All other material details which are necessary for the understanding of the arrangements.

### 5.5.4. Restriction on Transfer of Equity Securities

Where the trading of Equity Securities of an Issuer is halted, there must not be any transfers of Equity Securities, unless approved by BHB.

### 5.5.5. Alteration of Memorandum and Articles of Association

If an Issuer amends its Memorandum or Articles of Association or other constituent documents, the amendment must be made consistent with all the Rules prevailing at the time of amendment.

## 5.6. Operational and Trading Matters

### 5.6.1. Allotment

An Issuer must allot Equity Securities within 10 Trading Days of the closing date for applications to subscribe for a new issue of Equity Securities, and the respective allotment notices may be collected from BHB. BHB may, on the application of the Issuer (through its Sponsor), grant an extension of time.

#### 5.6.2. Proxy Forms

Proxy forms must be designed in a manner that will allow a shareholder appointing a proxy to indicate how the shareholder would like the proxy to vote in relation to each resolution.

#### 5.6.3. Documents

- 5.6.3.1. A document given to BHB by an Issuer or its Sponsor, or on its or its Sponsor's behalf, becomes and remains the property of BHB to deal with as it wishes, including copying, storing in a retrieval system, transmitting and selling to the public, and publishing any part of the document and permitting others to do so. The documents referred to in this Rule include a document given to BHB in support of a Listing Applicant or in compliance with the Rules.
- 5.6.3.2. Documents for overseas shareholders shall be forwarded by air or by facsimile transmission or, in another way that ensures that the documents will be received quickly.
- 5.6.3.3. Where an issue of Equity Securities is to be made overseas and is supported by a Listing Document, or other public documents, the Listing Document, or other public documents must be submitted to BHB in English. Such documents must be endorsed appropriately.
- 5.6.3.4. An Issuer (through its Sponsor) must supply BHB with 3 final printed copies or such number as BHB may require from time to time (and one soft copy in such format as BHB may require) of the following documents for public release:
  - A. all periodic and special reports, etc., released or issued by the Issuer for the information of holders of any of the Issuer's Listed Equity Securities; and
  - B. the published accounts of the Issuer and all documents annexed thereto, as soon as issued.

## **Section 6 - Changes in Share Capital**

### **6.1. Share Repurchase**

- 6.1.1. In order to protect the minority shareholders interest, a share re-purchase cannot be made without the prior approval of the shareholders in an Extraordinary General Meeting (EGM) and the approval of BHB.
- 6.1.2. An Issuer may repurchase its own Equity Securities, after obtaining the shareholder's and BHB's approval, up to a maximum of 10%.
- 6.1.3. The Share repurchase can be used by the Issuer for the following objectives only:
  - a. Employee stock option plan;
  - b. Capital re-organisation schemes;
  - c. Reselling such Equity Securities in order to support its share price and liquidity on BHB; or
  - d. Any other objective approved by BHB.

## **Section 7 - Trading Halt, Suspension and Delisting**

- 7.1. Trading halt, suspension and delisting actions shall take place in accordance with the BHB Rulebook and its Directives and guidelines.

## Appendix A - Sponsor's Declaration Statement

Sponsors acting on behalf of Issuers are required to provide the following statements of confirmation.

### Part I Confirmation (upon Application)

1. We confirm that:
  - a. We have given written consent to being named as Sponsor in the preliminary Listing Document, and a statement of such consent appears in the preliminary Listing Document.
  - b. Each issue manager named in the preliminary Listing Document has given his written consent to being named, and a statement of such consent appears in the preliminary Listing Document.
  - c. Where the preliminary Listing Document contains a statement purporting to be made by, or based on a statement made by, an expert, the expert has given his written consent to the issue of such statement, and a statement of his consent appears in the preliminary Listing Document.
  - d. The written consents referred to in paragraphs 1(a), (b), and (c) above have been lodged with BHB.
  - e. The preliminary Listing Document has been signed and submitted to the BHB.
2. The indicative range of the issue price for the Sale of Securities is:  
\_\_\_\_\_

Dated: \_\_\_\_\_

Signed on behalf of Sponsor: \_\_\_\_\_  
(Name and designation of person signing)

### Part II Confirmation (upon Registration)

Please provide the following statements of confirmation where applicable.

1. We confirm that:
  - A. We have given and not withdrawn our written consent to being named as Sponsor in the Listing Document, and a statement that we have given and not withdrawn our consent appears in the Listing Document.
  - B. Each issue manager named in the preliminary Listing Document has given and not withdrawn his written consent to being named, and a statement that he has given and not withdrawn his consent appears in the Listing Document.
  - C. Where the Listing Document contains a statement purporting to be made by, or based on a statement made by, an expert, the expert has given and not withdrawn his written consent to the issue of such statement, and a statement that he has given and not withdrawn his consent appears in the Listing Document.

- D. The written consents referred to in paragraphs 1(a), (b) and (c) above have been lodged with BHB.
- E. The Listing Document has been signed and submitted to the BHB.
2. We confirm that, to the best of our knowledge and belief, having made reasonable due diligence enquiries and considered all relevant matters under the Rules in relation to this application for Admission:
- A. All applicable requirements of the Rules are met (except as waived by the BHB in writing).
- B. We are satisfied that the Listing Applicant is suitable for Admission on BIM.
- C. We are satisfied that the profit forecast, if any, has been made by the Listing Applicant's directors after due and careful enquiry.
- D. The Listing Document contains all information required by the relevant laws and regulations.
- E. There are no other matters known to us that should be taken into account except \_\_\_\_\_ (if none, write nil).
- F. No material information has changed from the preliminary Listing Document except \_\_\_\_\_ (if no change, write nil. If any changes, identify the attachment with the changes marked).
- G. The Listing Applicant has all the requisite approvals, and is in compliance with all laws and regulations, that materially affect its business operations.
- H. The Listing Applicant has established adequate procedures, systems and controls (including accounting and management systems) to meet its obligations under the Rules.
- I. The directors of the Listing Applicant have received adequate advice and guidance from us (and other appropriate professional advisers) on their legal and regulatory obligations as an Issuer on BIM.
- J. All documents required by the Rules are included with this Sponsor's Declaration Statement.
- K. We are independent from the Listing Applicant/Issuer and are able to demonstrate it to BHB, if required.
- L. We hold a full mandate to undertake the relevant sponsorship activities for the Listing Applicant for at least one year.

Dated: \_\_\_\_\_

Signed on behalf of Sponsor: \_\_\_\_\_  
(Name and designation of person signing)

### **Part III Confirmation (After Allotment)**

Please provide the following statements of confirmation where applicable.

1. We confirm that:
- A. The Equity Securities to be listed are eligible for deposit with the CSD.



- B. All share certificates have been issued.
- C. Any allocation and allotment of Equity Securities pursuant to a placement has been made.
- D. Rule 3.11.3 has been complied with.
- E. The distribution (after allotment if applicable) of the applicant's Equity Securities is not expected to result in a disorderly market when trading begins.
- F. The number of shareholders is \_\_\_\_\_ and the percentage of issued Share capital available for trading is \_\_\_\_\_ %.
- G. BHB is appointed as the share registrar.

2. No further information relevant to the listing application should be advised to BHB.

Dated: \_\_\_\_\_

Signed on behalf of Sponsor: \_\_\_\_\_  
(Name and designation)

## Appendix B - Listing and Sale of Securities Steps

The steps in Listing and Sale of Securities process and the documents to be lodged with, or submitted by the Sponsor to BHB are as follows.

### Listing and Sale of Securities

The usual process for Listing and Sale of Securities is indicated in the table below. Requirements for lodgment of documents are set out in Appendix A.

<p><b>STEP 1</b> <b>Discuss with BHB</b></p>	<p>Discuss with BHB your requirements and objectives. BHB can assist in answering preliminary questions and provide guidance on the most appropriate route, and connect the Applicant with BHB's list of authorized Sponsors.</p>
<p><b>STEP 2</b> <b>Appoint a Sponsor</b></p>	<p>The Applicant must appoint a Sponsor whom will be responsible for the admission procedure and submission of Listing Document, follow-up with BHB, and ensure adherence to ongoing compliance obligations once listed.</p>
<p><b>STEP 3</b> <b>Prepare &amp; submit Application Forms</b></p>	<p>With the help of the authorized Sponsor, the due diligence process is carried out and preparation of the application form and Listing Document (if applicable) for BHB is conducted and submitted.</p>
<p><b>STEP 4</b> <b>Receive approval from BHB</b></p>	<p>Once all required documents are submitted, approval is provided for the Applicant for Sale of Securities (if applicable) or listing only.</p>
<p><b>STEP 5</b> <b>Sale of Securities (if applicable)</b></p>	<p>The Listing Applicant invites applications to subscribe for purchase of the Equity Securities. The Sale of Securities must be kept open for at least 10 Trading Days. After the Sale of Securities closes, the Listing Applicant announces the outcome of the Sale of Securities, and where appropriate, the level of subscription and the basis of allocation and allotment, and the subscription rate reflecting the true level of demand for the Sale of Securities. In computing the subscription rate, subscriptions by Key Persons and their Connected Persons must be excluded.</p>
<p><b>STEP 6</b> <b>Admission &amp; Listing on BHB</b></p>	<p>After completing the Sale of Securities process (if applicable), the Sponsor must submit to BHB:</p> <ol style="list-style-type: none"> <li>1. The information in Part III of the listing confirmation in Appendix A.</li> <li>2. A list of the directors and Substantial Shareholders and their respective shareholdings.</li> </ol> <p>The official Admission of the Issuer can then commence on BHB for trading.</p>

## Appendix C - Sponsor Application Form

### *How to complete this application form*

Before applying, you should fully understand the eligibility criteria and the obligations of Sponsors under these Rules. Where any of the items below are not applicable to you, please state so explicitly on your application form.

Submit this application form together with all supporting information and documents and the required fee(s). To avoid any delay in processing your application, all information and documents should be provided at the same time as the application.

Completed application forms are to be submitted in 2 copies with all other supporting documents to:

**Bahrain Investment Market  
Bahrain Bourse  
Bahrain Financial Harbour  
Harbour Mall - Level 4  
P.O. Box 3203  
Manama  
Kingdom of Bahrain**

### Part I Details of Application

#### 1 Corporate Details

- a. Registered office and operating office in the Kingdom of Bahrain
- b. Date of registration / incorporation
- c. Registration / incorporation documents
- d. Issued capital
- e. Shareholders' funds and financial position
- f. Name and address of principal bankers and auditors
- g. Year-end financials for the past three years
- h. Contact details of two senior representatives who will act as the liaison officers with BHB (name, contact number, email)
- i. Corporate structure, including holding company, subsidiaries, associated and related companies. Provide a description of the main lines of business and country of incorporation for each.

#### 2 Corporate Documents

Please attach certified copies of the following documents:

- a. Directors' resolution approving this application (original)
- b. Certificate of incorporation
- c. Memorandum and Articles of Association

- d. Proof of applicant's current licensing, registration or exempt status where applicable. If not yet issued, provide proof of approval.
- e. Internal manuals covering activities to be undertaken (e.g. corporate finance compliance manual)
- f. Management letter or report on internal controls/ conflicts management issued by internal and external auditors
- g. Audited financial statements for the last 3 years, where applicable

### **3 Qualifications and Experience**

- a. Proof of experience. An applicant must provide a list of relevant transactions in the last 2 years in which it provided corporate finance advisory services (including initial public Sale of Securities and post-listing transactions).
- b. Details of current and former authorities and organizations regulating the applicant. Please include contact details as BHB may contact them.
- c. Details of memberships of professional bodies. Please include contact details as BHB may contact them.
- d. Details of any adverse records of all persons employed or proposed to be employed to carry out Sponsor activities.

### **4 Reputation and Track Record**

- a. Details of any initial public Sale of Securities rejected by any regulatory authority or exchange (in Kingdom of Bahrain or elsewhere) in the last 5 years, including the reasons.
- b. Details of any regulatory action taken against the applicant or any member of the Group\* or any Substantial Shareholder, director or key officer of the applicant in the last 5 years (in Kingdom of Bahrain or elsewhere).  
*\* Group means the applicant's parent entity, subsidiaries, and related entities.*
- c. If there is a potential conflict of interest between the applicant being a Sponsor in BIM and any membership or license held elsewhere, details of how it will address the conflict.
- d. Details of whether the applicant, any director or key officer of the applicant, or any member of the Group has ever been denied membership/license or had its membership/license suspended or revoked by any authority, exchange, market, clearing house or professional body (in Kingdom of Bahrain or elsewhere).
- e. Details of whether the applicant, any Substantial Shareholder, director or key officer of the applicant, or any member of the Group is under investigation (in the Kingdom of Bahrain or elsewhere).
- f. Details of any censure or disciplinary action taken by any regulatory authority, exchange, market or clearing house over the last 5 years (in the Kingdom of Bahrain or elsewhere) against the applicant, any director or key officer of the applicant, or any member of the Group.

- g. A statement whether there is or is not any adverse, or potentially adverse, matter involving the applicant, any director or key officer of the applicant, which has been brought to the attention of any relevant regulatory body over the last 5 years (in the Kingdom of Bahrain or elsewhere).
- h. Whether the applicant, its Substantial Shareholders, or parent company is the subject of a winding up order made or threatened in any court whether in or out of the Kingdom of Bahrain, or is in the course of being wound up, and whether there is any resolution passed or proposed by shareholders to that effect.
- i. Whether the applicant, its Substantial Shareholders, or parent company has an execution or a judgment debt returned unsatisfied in whole or in part, whether in or out of the Kingdom of Bahrain.
- j. Whether the applicant, its Substantial Shareholders, or parent company has a receiver, receiver and manager, judicial manager, or person having similar powers and duties appointed in relation to any property, whether in or out of the Kingdom of Bahrain.

## 5 Corporate Ownership

- a. List of shareholders and their shareholdings. To provide explanation and diagram to outline the company's ownership structure.
- b. List of other interests of shareholders, including present or past interests in firms providing corporate finance advice.
- c. Relationships between shareholders<sup>^</sup>  
*^ For an individual, this could be a spouse, father, mother, son or daughter. For a corporation, this could be the applicant's parent entity, subsidiaries, and related entities.*
- d. Name(s) of person(s) who have ultimate Controlling Interest in the applicant. State their address, nationality, identification number, occupation and directorships in other companies.
- e. Particulars of Substantial Shareholders. If a Substantial Shareholder is an individual, provide the nationality, identification/passport number, occupation, address, record of offences and directorships in other companies. If a Substantial Shareholder is a corporation, provide place of incorporation, company registration number, address and record of offences.

## 6 Business Operations

- a. Brief history of the applicant, main lines of business and business volume in the last 3 years.
- b. Brief history and main lines of business of the parent company.
- c. Names of any other exchanges, markets or clearing houses where the applicant holds membership or is licensed. Include ranking and business volume.
- d. A business plan or proposed business model, including main business activities, products and services to be provided and expected client base.

- e. State whether the applicant, its parent, or related companies have established any other operations in the Kingdom of Bahrain or have any equity interest of 5% or more in any Bahraini company. If so, provide details.
- f. State whether the applicant has a business function or proposes to set up a business function which may create a conflict of interest with the proposed Sponsor activities (e.g. research, broking and market-making). Information should be provided regarding such functions and the procedures which will be put in place to avoid any conflict of interest with Sponsor activities.

## **7 Corporate Governance**

- a. Particulars of directors and key officers, including name, nationality, identification/passport number, occupation, address, record of offences, shareholdings in the applicant and interests of 5% or more in other companies and other directorships.
- b. Whether any Substantial Shareholder, present director or key officer has ever been convicted of an offence, or disciplined for breaching any criminal law, or been found to have contravened any Rules or regulations of any government, regulatory or exchange authority.
- c. Organization chart showing names, qualifications and experience of relevant employees. If the applicant is yet to be incorporated, a proposed organization chart should be given together with the name, qualification and experience of the person who will be in charge of the proposed operations.

## **Part II Terms of Application**

### **8 Agreement**

By applying for authorization we agree:

- a. That our authorization (or refusal of it) is in BHB's absolute discretion. BHB may authorize us on any condition or restriction it decides. BHB is not obliged to give reasons.
- b. BHB may contact any organization (regulatory or professional) about our application and may give them and receive from them any information or documents considered by BHB or that organization to be relevant.
- c. BHB may take any action, disciplinary or otherwise, against us under the Rules.
- d. BHB may make public any action taken against us and the reasons as set out in the Rules.
- e. To pay all fees, charges, costs and fines under the Rules.
- f. To submit to the non-exclusive jurisdiction of the courts of the Kingdom of Bahrain.
- g. That the proper law of this agreement is the Kingdom of Bahrain law.

### **9 Undertaking**

If BHB approves our application, we undertake to:

- a. Comply with the Rules (as amended from time to time), and all conditions and restrictions imposed by BHB.
- b. Discharge our responsibilities as a Sponsor fairly and honestly.
- c. Notify BHB as soon as practicable if:
  - i. We become subject to any investigation by a regulatory authority or law enforcement agency;
  - ii. We become subject to any disciplinary action by a regulatory authority or law enforcement agency; or
  - iii. An unavoidable conflict arises (and in this event we will take directions as to the conduct of the matter from BHB).
- d. Cooperate fully (by providing information, documents, witnesses, answers to queries, and access to premises) in any review, audit or investigation conducted by BHB under the Rules.
- e. Accept as final, binding and conclusive any decision made by BHB, the Disciplinary Committee.

#### **10 Warranty**

We warrant to BHB that:

- a. All matters and information relevant to this application have been submitted to BHB.
- b. The information and documents provided with our application are complete, true, accurate, and not misleading. If any information or document is not available now, we will provide it to BHB before our application is approved.
- c. All additional information provided, whether at the request of BHB or pursuant to paragraph 10(b), will also be complete and accurate.

#### **11 Indemnity**

We indemnify BHB and its staff, agents and delegates to the fullest extent permitted by law in respect of any claim, action, other civil liability, or expense arising from or connected with:

- a. anything done or omitted to be done with reasonable care and in good faith in the course of, or in connection with, the discharge or purported discharge of their obligations under the law or the Rules;
- b. any breach of the above warranties; or
- c. any breach of our agreement.

Dated: \_\_\_\_\_

Signed on behalf of Sponsor: \_\_\_\_\_ (Name and designation of person signing)

Dated: \_\_\_\_\_

Signed on behalf of Sponsor: \_\_\_\_\_ (Name and designation of person signing)

*Note: proper execution required — e.g. if the entity has a seal, execution must be under seal.*

## Appendix D - Minimum Terms of Sponsorship

An Issuer's written contract with a Sponsor must include terms to the following effect. The contract may contain any other terms the parties wish to include, provided they do not contradict these terms.

1. Acknowledgement that the terms of sponsorship are intended to enable the Sponsor and the Issuer to comply fully with the Rules.
2. To meet the Issuer's obligations under the Rules, the Issuer gives the Sponsor authority to:
  - (a) Peruse all documents or records of the Issuer and for this purpose have access to the Issuer's premises and other places where its records are kept;
  - (b) Review all documents to be released by the Issuer to shareholders or the market;
  - (c) Make all necessary inquiries with the Issuer's directors, employees, or auditors;
  - (d) Contact BHB on behalf of the Issuer;
  - (e) Bind the Issuer in dealings with BHB;
  - (f) Take external professional advice in relation to any matter relevant to the sponsorship;
  - (g) Include the Sponsor's details on any announcements or any documents to be sent to shareholders; and
  - (h) In the case of a conflict for the Sponsor, take directions from BHB.
3. The sponsorship is exclusive.
4. The sponsorship will not be terminated without notice:
  - (a) by the Issuer of at least 1 month (unless otherwise agreed by BHB); and
  - (b) by the Sponsor of at least 3 months (unless otherwise agreed by BHB).
5. The Issuer will take all steps, execute all documents, pay all fees, liaise with the Sponsor, and do (or procure to be done) all things necessary to comply with the Rules.
6. The Sponsor will be available to advise the Issuer as necessary in respect of the Issuer's compliance with the Rules.
7. The Issuer must consult the Sponsor as necessary in respect of the Issuer's compliance with the Rules and give due consideration to such advice.
8. Acknowledgement that the Sponsor owes duties to BHB that it may discharge without liability to the Issuer.
9. The Sponsor will not take any action or do anything that might result in a breach of a law or the Rules.
10. Any term of the sponsorship that contradicts the requirements of the Rules (including this Appendix) is void and of no effect.



## Appendix E - Change of Sponsor Confirmation

We \_\_\_\_\_ (name of Sponsor), notify BHB that with effect from \_\_\_\_\_, we will act as Sponsor for \_\_\_\_\_ (name of Issuer).

1. We confirm:
  - a. We are independent from the Issuer and are able to demonstrate it to BHB, if required.
  - b. We hold a full mandate to undertake the relevant sponsorship activities for the Issuer.
2. In relation to paragraph 1(a) of the above declaration, we disclose the following.
  - a. \*We/our partners, directors, employees/associates of such partners, directors and employees, either individually or collectively, \*have/do not have any interest in any Class of Equity Securities of the sponsored Issuer above 5% of the total issued Equity Securities. Details of such interest (if any) are as follows:\_\_\_\_\_ .
  - b. Our \*partners, directors, employees/associates of such partners, directors and employees involved in providing advice to the sponsored Issuer \*have/do not have a directorship in the sponsored Issuer. Details of such directorship (if any) are as follows:\_\_\_\_\_ .

\*Delete where not applicable.

Dated: \_\_\_\_\_

Signed on behalf of Sponsor: \_\_\_\_\_ (Name and designation of person signing)

## Appendix F - Listing Document Requirement

A Listing Document being submitted in relation to BIM must contain the minimum content requirements as outlined below.

### 1. Front Cover Page

The cover page of the Listing Document must contain the following particulars:

- a) Full name and registration number of the Issuer;
- b) Type and amount of Equity Securities;
- c) Date of the Listing Document;
- d) Logo and full name of the Sponsors;
- e) Face or par value of the Equity Securities;
- f) Listing price;
- g) Minimum subscription limit (if applicable);
- h) Maximum subscription limit (if applicable);
- i) Eligible subscribers (general classification by nationality or region); and
- j) Standard disclaimer statement, written in capital letters and box framed, as follows:

THE CENTRAL BANK OF BAHRAIN AND BAHRAIN BOURSE ASSUME NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS DOCUMENT AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS DOCUMENT.

- k) Standard risk disclosure statement, written in capital letters and box framed, as follows:

COMPANIES LISTED ON BIM MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED COMPANIES LISTED ON THE BHB MAIN BOARD MARKET. IN PARTICULAR, COMPANIES MAY LIST ON BIM WITHOUT A TRACK RECORD OF PROFITABILITY AND THERE IS NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE EQUITY SECURITIES OR UNITS OF EQUITY SECURITIES TRADED ON BIM. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH COMPANIES, INCLUDING THE RISK OF LOSING ALL OF YOUR INVESTMENT, AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND, IF APPROPRIATE, CONSULTATION WITH YOUR PROFESSIONAL ADVISER(S).

If not already disclosed on the front cover, the document should include on the inside cover the following declaration by those responsible for it (usually the Directors of the Applicant):

THE DIRECTORS OF THE COMPANY, WHOSE NAMES APPEAR HEREIN, ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND CONTAINS

NO OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THE DOCUMENT.

- l) Additional Statements
- a. *If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser(s).*
  - b. *An application has been made for permission for the Equity Securities or units of Equity Securities to be Listed for quotation on BIM.*
  - c. *This Sale of Securities is made in or accompanied by a Listing Document that has been registered with BHB acting as an agent of the CBB.*
  - d. *Neither the CBB nor the BHB assumes any responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*
  - e. *The registration of this Listing Document by the BHB does not imply that the CBB, or any other legal or regulatory requirements have been complied with.*
  - f. *Acceptance of applications will be conditional upon the issue of Equity Securities or units of Equity Securities and upon listing of all the issued Equity Securities or units of Equity Securities of the Issuer. Monies paid in respect of any application accepted will be returned if the Admission and subsequently listing do not proceed.*
  - g. *After the expiration of 6 months from the date of registration of this Listing Document, no person shall make a Sale of Securities, or allot, issue or sell any Equity Securities, on the basis of this Listing Document; and no officer or equivalent person or Founder of the entity or proposed entity will authorize or permit the Sale of Securities of any Equity Securities or the allotment, issue or sale of any Equity Securities, on the basis of this Listing Document.*

**2. Important Notices - which may include:**

- a) Important notice to subscribers;
- b) Due diligence statements;
- c) Forward looking statements; and
- d) General risk statement.

**3. Table of contents**

**4. Glossary of the defined terms and abbreviations**

**5. Information on the Issuer, which may include:**

- a) Background and history;
- b) Principal activities;
- c) Business strategy;
- d) Organizational structure;
- e) Corporate governance practices;
- f) Board of Directors
- g) Senior management team;

- h) Employees;
- i) External auditor;
- j) Sponsor other advisors; and
- k) Major shareholders and transactions.

**6. Business overview;**

- a) Key financial information;
- b) Operating and financial review and prospects;
- c) Property, plant and equipment;
- d) Significant assets and liabilities;
- e) Liquidity and capital resources;
- f) Consolidated audited financial statements; and
- g) Working capital forecast.

**7. Industry analysis which may include:**

- a) Economic overview;
- b) Sectoral performance and overview; and
- c) Sub-sectoral performance and overview.

**8. Investment considerations, which may include:**

- a) Equity Securities rights and obligations;
- b) Ranking of Equity Securities;
- c) Dividend policy;
- d) Listing of Equity Securities;
- e) Contracts or arrangements with the appointed Sponsor; and
- f) Use of proceeds.

**9. Risk factors, which may include:**

- a) General risks;
- b) Business risks;
- c) Legal and regulatory risks;
- d) Other specific risks; and
- e) Disputes, litigations and court orders.

**10. Subscription terms and conditions, which may include:**

- a) Application procedures;
- b) Subscription restrictions;
- c) Subscription period;
- d) Mode of payment;
- e) Fund transfer fees and charges;
- f) Rejected applications;
- g) Allotment;
- h) Over-subscription allotment;
- i) Dispatching and refunds; and
- j) Announcements and acknowledgements.

**11. Additional information, which may include:**

- a) Share capital structure;
- b) Memorandum and Articles of Association; and

c) Applicable law.

**12. Documents available for inspection**

**13. Appendices**