

3. **CONDITIONS FOR LISTING BY COMPANIES**

3.1 **Securities**

- (A) No Securities shall be listed or traded on the Market without the prior approval of the Authority.

[Listing Regulations 2 and 3]

- (B) Subject to approval by the Authority, the following Securities shall be accepted for listing on the Market by ADSM:

- (1) shares, bonds and financial instruments issued by public joint stock companies incorporated in the State and resident in Abu Dhabi;
- (2) shares, bonds and financial instruments issued by such companies and establishments resident outside Abu Dhabi and approved by the Board for trading;
- (3) shares, bonds and financial instruments issued by companies and establishments resident outside the State and approved by the Board for trading;
- (4) debentures approved by the Board for trading;
- (5) units of trust funds;
- (6) treasury notes and debentures issued by local governments or public authorities and bodies; and
- (7) other Securities approved by the Authority.

[ADSM Law Article 17 and Listing Regulation 4].

3.2 **Listing Criteria**

- (A) No joint stock company incorporated in the State shall apply to the Authority or the Board for listing of Securities on the Market unless:

- (1) the company issuing the Securities complies with the provisions of the CCL;
- (2) a period of two years has elapsed subsequent to the incorporation of the company and two audited financial reports have been issued by an auditor registered in the practising auditor's schedule and authorised to audit the accounts of joint stock companies in the State;
- (3) the paid up capital of the company is not less than 50% of the shareholders funds which shall not be less than Dhs. 20 Million;
- (4) the rights of shareholders in relation to each type of share issued by the company are equal;
- (5) the net assets of the company are not less than 20% of its paid up capital;

- (6) the company must have made net profits distributable to shareholders averaging not less than 5% of the paid up capital during the two years prior to the submission of the listing application;
- (7) ordinary general assemblies of the company have been held at least once a year;
- (8) the company has published the financial reports of its business in a daily publication in the State prior to its Securities being traded on the Securities Market; and
- (9) the company has complied with any other conditions prescribed by the Authority or ADSM.

[Listing Regulation 6]

- (B) Other companies must comply with the conditions set down by the Authority from time to time.

[Listing Regulation 6]

### 3.3 Application Procedure

- (A) If a company or other entity wishes to list Securities on the Market, it shall submit the relevant application for listing to the Authority.
- (B) Once the Authority has issued a decision approving the listing of the Securities, the applicant shall notify ADSM of this decision and shall submit to the Board a written application for listing using Form D or such other form prescribed by the Board from time to time together with a written acknowledgement to be bound to and abide by these Rules until such time as the Securities are de-listed.
- (C) The applicant shall promptly provide to the Board all such information as the Board may require in support of its application.
- (D) The Board shall be entitled to require the applicant, if it is a company, to comply with requirements in addition to those requirements set out in Article 3.2 prior to listing on the Market including without limitation that:
  - (1) its articles of association have been approved by the Board;
  - (2) it has transferred its register of Shareholders to ADSM in accordance with the terms of Rule 3.8;
  - (3) the chairman of the board of directors of the company has delivered to the Board a power of attorney using Form E or such other form prescribed by the Board from time to time appointing ADSM as the attorney of the Board for the purpose of signing share certificates.
  - (4) the company has signed the written acknowledgement to be bound to the Rules set out on the form.
  - (5) the company has notified the Board of its Registrar.
  - (6) any other conditions prescribed by the Board.
- (E) The Board may impose additional conditions to any listing on the Market.

### 3.4 Authority Application

The application submitted to the Authority shall be on the standard application prepared by the Authority for such purpose together with the necessary documents according to the type of Security requested to be listed in accordance with the following:

- (A) In relation to joint stock companies:
- (1) A report of the directors of the company including:
    - (a) A short summary regarding the incorporation, main objectives and relationship of the company with other companies whether its parent company, subsidiary or associated companies (if any).
    - (b) A list of the Securities issued by the company and any Securities proposed to be issued.
    - (c) A list of the names of the members of the board of directors and executive managers, and their holdings and their first level of kin's holdings of Securities in the company or any company in the relevant group of companies.
    - (d) A list of those persons who hold 5% or more of the issued Securities of the company together with the number of Securities so held.
    - (e) A statement of the percentage of non-UAE national's shareholding in the capital of the company.
    - (f) A list of the important historical events in the life time of the company from the date of incorporation to the date of the application.
    - (g) An evaluation by the board of directors of the company supported by figures of the performance of the company against its planned achievements.
  - (2) A report of the company's financial information including:
    - (a) The company's annual report for the two financial years prior to the submission of the listing application together with the report of the auditors of those accounts.
    - (b) The financial information which covers the period from the end of the previous financial year until the end of the calendar quarter that immediately precedes the date of the listing application duly audited by the company's auditor.
- [Listing Regulation 7]
- (B) In relation to other bonds and Securities:
- (1) The statement of the manager of the issuing party in the form prescribed by the Authority from time to time.
  - (2) The value of the bond or any of the other Securities.
  - (3) The revenue and its date of payment.
  - (4) The method of subscription.

(5) The date and number of Securities requested to be listed.

[Listing Regulation 7]

(C) Such other information as the Authority may require from time to time.

(D) The listing application to the Authority shall be signed by the chairman of the board of directors of the company whose Securities are to be listed or whoever is authorised by the chairman for that purpose and by the issuer (if the issuer is not a company) or by a person authorised by such issuer.

[Listing Regulation 8]

### 3.5 **Liability**

(A) The members of the board of directors of the company shall be liable for the completeness and accuracy of all the information presented to the Authority and ADSM.

[Listing Regulation 9]

(B) Neither the Authority nor ADSM shall be responsible for the data, information, reports or documents presented by companies, whether presented for the purposes of ADSM or the Authority or for publication and any review or approval of the publication thereof by ADSM or the Authority shall not be construed as an acknowledgement of the accuracy thereof or of the legitimacy of acts conducted by any person pursuant thereto.

[Listing Regulation 10]

### 3.6 **Advertising**

No Securities shall be traded unless the relevant company has, ten days prior to the listing of the Securities on the market, advertised in two daily Arabic newspapers published in the State the annual financial information and summary report of its Board of Directors submitted to the Authority with the application for listing.

[Listing Regulations 18]

### 3.7 **Listing**

(A) ADSM shall provide the Authority with evidence of listing of the Securities on the Market; and

[Listing Requirement 15]

(B) ADSM shall provide the Listed Company with a code and an abbreviated name in both Arabic and English languages issued by the Authority for that purpose.

[Listing Regulation 16]

### 3.8 **Transfer of Register of Shares**

(A) The company shall enter into a Share Register Maintenance Agreement with ADSM in such form as the Board may prescribe at the same time as submitting the written application to ADSM for listing and shall comply with its obligations hereunder.

- (B) The company shall be entitled to perform its obligations under the Share Register Maintenance Agreement through a Registrar.

### 3.9 Suspension of Listing

- (A) The Authority may after inspection and consultation with ADSM, or ADSM may suspend the listing of any Securities and prevent them from being traded on the market if exceptional circumstances arise or if an event occurs which may affect the competent running of the Market or if the Authority or ADSM deems that the trading of those Securities does not benefit the public interest or constitutes a wrong or breach of the shareholders rights or for any other reason.

[Article 32 Authorities Law, Listing Regulation 20(1) and Article 22 ADSM Law].

- (B) Without prejudice to Rules 3.9(A), the Authority or ADSM may suspend the listing of a Security if:

- (1) the Listed Company fails to comply at any time with any of the requirements set out in or under Rule 3.2;
- (2) the Listed Company fails to pay any fees due to the Authority or ADSM;
- (3) the net shareholders funds fall to less than 50% of the authorised capital;
- (4) the market capitalisation of any Securities falls below 60% of the nominal value of those Securities or such market capitalisation suddenly increases;
- (5) an extraordinary general assembly of the Listed Company resolves to reduce the capital of the Listed Company;
- (6) an extraordinary general assembly of the Listed Company resolves to dispose of a considerable part of that Listed Company's assets;
- (7) the Listed Company, pursuant to a resolution of its general assembly, requests a suspension of the listing of the Securities for a justifiable reason;  
or

[Listing Regulation 20(2)]

- (8) the Listed Company fails to comply with the provisions of Rule 4.
- (C) A Listed Company may appeal to the competent court any decision taken by the Authority to suspend a listing of its Securities.
- (D) A Listed Company may appeal any decision taken by ADSM to suspend a listing of its Securities in the event that the reasons for the suspension cease to exist.

[Listing Regulation 21]

### 3.10 Cancellation of Listing of Securities

- (A) The Authority may order ADSM to cancel the listing of any Securities on the Market and delete the entry of such Securities from its Register of Securities Approved for Listing if:

- (1) a decision is taken to dissolve or liquidate the Listed Company;

- (2) a suspension of listing of the Securities continues for a period exceeding 6 months;
- (3) there is a material change to the Listed Company's main activities;
- (4) the Listed Company merges with another company or companies where such merger results in the Listed Company ceasing to exist; or
- (5) the Listed Company ceases to conduct its business.

[Listing Regulation 22]