



The Draft Regulatory Framework to Allow Offering Special Purpose Acquisition Companies (SPACs) on the Parallel Market

A) Preamble:

As part of the Capital Market Authority's ("CMA") strategic objectives to develop the capital market, and based on the Capital Market Law issued by Royal Decree No. (M/30) dated 2/6/1424 H, and the Companies Law issued by Royal Decree No. (M/132) dated (1/12/1443 H), the CMA Board issued its resolution to publish the draft regulatory framework to allow listing special purpose acquisition companies on the Parallel Market ("Draft Regulatory Framework") for public consultation for a period of (30) calendar days.

B) Objectives of the Draft Regulatory Framework and its Main Elements:

The Draft Regulatory Framework aims to allow offering special purpose acquisition companies (SPACs) on the Parallel Market. The main elements of the Draft Regulatory Framework are as follows:

- 1) Regulating the requirements and conditions to submit requests to the CMA for the registration and offering of SPAC's shares.
- 2) Regulating the continuing obligations on SPAC.
- 3) Regulating the requirements and conditions on SPAC to complete acquisition or merger transaction with the target company.
- 4) Allow SPAC's shares to be redeemed at the shareholders' option.



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C) Proposed amendments to the Implementing Regulation of the Companies Law for Listed Joint Stock Companies compared with the current provisions:

Implementing Regulation of the Companies Law for Listed Joint Stock Companies		
Current Provision	Proposed Amendments	Explanation
<p>Part 1: General Provisions Article 1: Preliminary Provisions</p> <p>c) Unless the context indicates otherwise, the following words and phrases, whenever they appear in this Regulation, shall have the meanings herein specified:</p> <p>- Redeemable Shares: shares issued by the company that can be redeemed at the company's option in accordance with the terms and conditions of its redemption.</p>	<p>Part 1: General Provisions Article 1: Preliminary Provisions</p> <p>c) Unless the context indicates otherwise, the following words and phrases, whenever they appear in this Regulation, shall have the meanings herein specified:</p> <p>- Redeemable Shares: shares issued by the company that can be redeemed at the company's option, or at the shareholder's option in a special purpose acquisition company, in accordance with the terms and conditions of its redemption.</p>	<p>It is proposed to amend this term in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies, to allow redemption of shares in a special purpose acquisition company by shareholders' option.</p>

D) Proposed amendments to the Rules on the Offer of Securities and Continuing Obligations compared with the current provisions:

Rules on the Offer of Securities and Continuing Obligations		
Current Provision	Proposed Amendments	Explanation
<p>PART 8 Offer or Registration in Parallel Market Article 75: Appointment of Representative of the Issuer</p> <p>a) The issuer must appoint two representatives, one of whom must be a director and the other must be a senior executive, to act as its representatives before the Authority for all purposes relating to the Capital Market Law, the Companies Law, their implementing</p>	<p>PART 8 Offer or Registration in Parallel Market Article 75: Appointment of Representative of the Issuer</p> <p>a) The issuer must appoint two representatives, one of whom must be a director and the other must be a senior executive, to act as its representatives before the Authority for all purposes relating to the Capital Market Law, the Companies Law, their implementing</p>	<p>It is proposed to amend Article (75) of Part (8) of the Rules on the Offer of Securities and Continuing Obligations, to outline provisions governing appointment of representatives of special purpose acquisition company.</p>



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<p>regulations, other relevant laws and these Rules.</p> <p>b) The issuer must provide details in writing of how its representatives may be contacted including office, mobile number, and electronic mail address.</p> <p>...</p>	<p>regulations, other relevant laws and these Rules, provided that the entity's representatives shall be from the board members, while the sponsor's representatives are a board member and a senior executive. In case where the offer is made by a special purpose acquisition company, such company and the sponsor shall appoint two representatives for each of them, to attend before the authority in matters related to these Rules, provided that the company's and the sponsor's representatives shall be a board member and a senior executive.</p> <p>b) The issuer must provide details in writing of how its representatives may be contacted including office, mobile number, and electronic mail address, in addition to written details regarding the methods of contacting the sponsor's representatives if the offer was made by a special purposes acquisition company.</p> <p>...</p>	
<p>PART 8 Offer or Registration in Parallel Market</p> <p>Article 76: Appointment of Advisors</p> <p>...</p>	<p>PART 8: Offer or Registration in Parallel Market</p> <p>Article 76: Appointment of Advisors of the Issuer</p> <p>...</p> <p>c) In the event that the offer is made by a special purpose acquisition company, the financial advisor shall, upon submitting an application to</p>	<p>It is proposed to amend Article (76) of Part (8) of the Rules on the Offer of Securities and Continuing Obligations, to highlight the provisions governing appointment of the special purpose acquisition company advisors, including the company financial advisor, and illustrating</p>



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	<p>the Authority for registering and offering securities, comply with the following:</p> <ol style="list-style-type: none"> 1) be the main point of contact with the Authority in relation to the application; 2) satisfy itself, having conducted due diligence and made enquiry from the special purpose acquisition company, the sponsor and their advisors, that the sponsor and the special purpose acquisition company have satisfied all conditions required for registration and offering of securities and any relevant requirements; 3) provide to the Authority any information or clarifications in such form and within such time limit as the Authority may require for the purpose of verifying whether the financial advisor, the sponsor, and the special purpose acquisition company have complied with the Capital Market Law, its Implementing Regulations or the Exchange Rules; 4) provide the Authority with a letter in the form set out in Annex (27) of these Rules. 	<p>responsibilities of financial advisor when making an application for registration and offering of shares.</p>
<p>PART 8: Offer or Registration in Parallel Market Article 78: Conditions for an issuer ...</p>	<p>PART 8: Offer or Registration in Parallel Market Article 78: Conditions for an issuer ... c) Where the issuer is a special purpose acquisition company,</p>	<p>It is proposed to amend Article (78) of Part (8) of the Rules on the Offer of Securities and Continuing Obligations, to illustrate the provisions that are not required to be met by a special purpose acquisition company</p>



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	<p>the following subparagraphs shall not apply:</p> <ol style="list-style-type: none"> 1) subparagraph (2) of paragraph (a) of this Article. 2) subparagraphs (3) and (4) of paragraph (a) of this Article unless it has been established for one financial year without listing its shares on the Parallel Market. 	<p>when making an application for registration and offering of shares.</p>
-	<p>PART 8: Offer or Registration in Parallel Market</p> <p>Article 79: Additional Conditions Related to Special Purpose Acquisition Company</p> <ol style="list-style-type: none"> a) The special purpose acquisition company shall be established by the sponsor, and the sponsor shall be a Capital Market Institution licensed to manage investments and operate funds. b) The sponsor of the special purpose acquisition company shall comply with the following: <ol style="list-style-type: none"> 1) its ownership shall represent (5%) at least of the special purpose acquisition company's capital and (20%) at most at any time. For the purposes of this paragraph, any increase resulting from the exercise of redemption right by shareholders shall not be considered a breach of the requirements of this paragraph. 2) its shares shall be ordinary shares and fully paid. 3) not dispose of its shares after they are listed and until one year has elapsed from the date 	<p>It is proposed to add a new article to Part (8) of the Rules on the Offer of Securities and Continuing Obligations titled: (Offering or Registration in Parallel Market). This article will outline additional conditions related to the special purpose acquisition company, including:</p> <ol style="list-style-type: none"> 1. The requirement for existing a sponsor for the special purpose acquisition company, and a description of its role and obligations in that type of companies. 2. The conditions governing the use of proceeds generated from offering of shares of the special purpose acquisition companies. 3. The requirements to issue a circular to shareholders of a special purpose acquisition company when identifying the targeted company for acquisition or merger, regardless of whether this transaction resulted in an increase in the company capital or not. 4. clarifying the cases of shares redemption based on the shareholders' option of



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	<p>of the completion of the acquisition or merger transaction with the target company. As an exception to this, it may dispose a percentage that does not exceed (50%) of its share after a period of six months following the completion of the acquisition or merger transaction.</p> <p>c) The special purpose acquisition company's articles of association shall include the following:</p> <ol style="list-style-type: none"> 1) Uses of escrow account. 2) Restrictions on the sponsor's shares under paragraph (b) of this article. 3) Restriction on the sponsor's vote under paragraph (h) of this article. 4) Shares of the special purpose acquisition company, except for those held by the sponsor and its affiliate, are redeemable shares at the option of shareholders. 5) The shareholder's right to request the redemption of its redeemable shares in exchange for a cash amount from the escrow account in proportion to its shares in the special purpose acquisition company, in the event that the general assembly approves the following items without the shareholder's approval: <ol style="list-style-type: none"> a. Completing the acquisition or merger transaction with the target company. 	<p>the special purpose acquisition company.</p> <p>5. clarifying the requirements for completing the acquisition or merger with the target company by the special purpose acquisition company.</p>



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	<p>b. Extending the period for completing the transaction disclosed in the relevant prospectus.</p> <p>c. Changing the conditions and criteria for determining the target company for completing the transaction.</p> <p>6) The period for exercising redemption rights and paying the corresponding amount to shareholders.</p> <p>7) Transferring redeemable shares to ordinary shares shall be made after the completion of the acquisition or merger transaction with the target company for completing the transaction.</p> <p>8) The special purpose acquisition company shall not engage in economic activities other than those necessary to achieve its own objectives.</p> <p>9) conditions and criteria for determining the target company.</p> <p>d) The special purpose acquisition company's capital shall not be less than 100 million Saudi Riyals after the end of the offering period.</p> <p>e) After the end of the offering period, at least 90% of the special purpose acquisition company's capital shall be deposited in the escrow account of the company with a local bank, which is not affiliated with the sponsor.</p> <p>f) The amounts deposited in the escrow account - referred to in</p>	



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	<p>paragraph (e) of this Article - shall be used only for the following purposes:</p> <ol style="list-style-type: none"> 1) to complete the acquisition or merger transaction with the target company. 2) to pay the value of redemption of the redeemable shares in the special purpose acquisition company before the cancellation of listing of its shares pursuant to paragraph (n) of this Article. 3) to pay amounts to shareholders when they exercise redemption rights pursuant to subparagraph (5) of paragraph (c) of this Article. 4) to invest in money market transactions, low-risk deposits, and money market funds, provided that resulting profits shall be used for covering the costs of searching for the target company for acquisition or merger, and covering the costs required for completing the transaction. g) The remaining percentage of amounts -that are not deposited in the escrow account pursuant to paragraph (e) of this Article- may be used to cover the expenses of offering and searching for the target company for completing the acquisition or merger transaction therewith. h) The special purpose acquisition company shall complete the acquisition or merger transaction with the 	



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	<p>target company for completing the transaction within a period not exceeding (24) months from the date of listing its shares in the Parallel Market. This period may be extended for a maximum period of (12) additional months, provided that the approval of the extraordinary general assembly is obtained, and the votes of the sponsor and its affiliates, if any, shall not be counted when voting on such extension and the Authority shall be notified thereof.</p> <p>i) The special purpose acquisition company may borrow a maximum of (25%) of the amounts deposited in the escrow account, subject to the following limitations:</p> <p>1) borrowing shall be intended for financing acquisition or merger with the target company for completing the transaction, or covering costs required for completing this transaction.</p> <p>2) not to provide the escrow account or any amounts deposited therein as security for borrowing, and the borrowing shall not result any obligations that connected to the escrow account or amounts deposited therein.</p> <p>j) In addition to any other applicable requirements under Article (80) of these Rules (where applicable), the special purpose acquisition company shall, when identifying the</p>	



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	<p>target company for completing the transaction, produce a circular for its shareholders stating the information required to enable the shareholders to make an informed vote at the extraordinary general assembly. This circular shall include, but is not limited to, the items set out in Annex (29) of these Rules.</p> <p>k) The shareholders' circular must not be published and made available to the public without a prior request to the Authority and get an approval thereof. The Authority will review the request in accordance with the paragraphs (b) (c) (d) of Article (85) of these Rules.</p> <p>l) Without prejudice to the provisions of this Article, the acquisition or merger transaction intended to be completed by the special purpose acquisition company shall fulfill the following requirements:</p> <ol style="list-style-type: none"> 1) the sponsor or an investment fund managed by the sponsor shall not own shares or stakes in the target company for completing the transaction, whether directly or indirectly. 2) the sponsor shall not be appointed as the financial advisor in the transaction. 3) the value of the target company for completing the transaction shall represent at least (80%) of the amounts deposited in the escrow 	



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	<p>account, and the ownership percentage of the special purpose acquisition company's shareholders shall not be less than (30%) of the shares in the target company after transaction completion.</p> <p>4) appointing a valuer to evaluate the target company for completing the transaction, provided that the valuer shall be independent of the sponsor and a financial advisor licensed to carry out arranging activities.</p> <p>5) the target company for completing the transaction shall be a Saudi company whose shares are not listed on the Exchange or any other stock exchange, and shall fulfill the conditions for listing on the Parallel Market pursuant to the Listing Rules.</p> <p>6) obtaining the approval of the special purpose acquisition company's board.</p> <p>7) obtaining the approval of the extraordinary general assembly of the special purpose acquisition company.</p> <p>m) The substantial shareholders of the target company for completing the transaction shown in the shareholder's circular as owners of the company's shares must not dispose any of their shares in the listed company during a period of six months from the date on which the listed company's shares' trading first commences on the</p>	



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	<p>Exchange following the transaction completion, except where the company states a longer lock up period in the shareholder's circular.</p> <p>n) The special purpose acquisition company shall pay the value of redemption of the redeemable shares within (3) business days in any of the following cases:</p> <ol style="list-style-type: none"> 1) non-completion of the acquisition or merger transaction with the target company for completing the transaction within the period specified in Paragraph (h) of this Article. 2) expiration of the period specified in paragraph (h) of this Article without the special purpose acquisition company obtaining the necessary approvals to extend the period. 3) expending all amounts not deposited in the escrow account without completing the transaction. 	
<p>PART 8: Offer or Registration in Parallel Market Article 79: Requirement to Submit the Application to the Authority ... b) The issuer must submit an electronic of the following documents to the Authority (and it shall maintain the original copies of such documents and submit them to the Authority at request): ...</p>	<p>PART 8: Offer or Registration in Parallel Market Article 80: Requirement to Submit the Application to the Authority ... b) The issuer or the sponsor (if the issuer is a special purpose acquisition company) must submit an electronic of the following documents to the Authority (and it shall maintain the original copies of such documents and submit</p>	<p>It is proposed to amend Article (79) of Part (8) of the Rules on the Offer of Securities and Continuing Obligations, to outline provisions regulating submitting an application for registering and offering shares of a special purpose acquisition company in the Parallel Market, demonstrating provisions that do not apply to this type of companies when submitting the aforementioned application, and clarifying the</p>



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<p>5) a declaration by the issuer in the form set out in Annex (9) of these Rules;</p> <p>...</p> <p>c) Following the approval of the registration and offer of shares on the Parallel Market by the Authority or the registration of shares in the Parallel Market and prior to the listing, the issuer must submit an electronic copy of the following documents to the Authority (and it shall maintain the original copies of such documents and submit them to the Authority at request):</p> <p>...</p> <p>d) The issuer must retain original copies (or certified copies where appropriate) of all documents required pursuant to this Article for a period not less than ten years from the completion of the offer or the direct listing in the Parallel Market, and without prejudice to this period, in case of any litigation or claim (including any litigation pending or threatened) or any on-going investigations relating to these documents, the issuer must retain such documents until the closure of that litigation, claim or on-going investigation.</p> <p>...</p>	<p>them to the Authority at request):</p> <p>...</p> <p>5) a declaration by the issuer in the form set out in Annex (9) of these Rules, and in case the issuer is a special purpose acquisition company, a declaration by the sponsor in the form set out in Annex (9)(a) of these Rules;</p> <p>...</p> <p>c) Following the approval of the registration and offer of shares on the Parallel Market by the Authority or the registration of shares in the Parallel Market and prior to the listing, the issuer or the sponsor (if the issuer is a special purpose acquisition company) must submit an electronic copy of the following documents to the Authority (and it shall maintain the original copies of such documents and submit them to the Authority at request):</p> <p>...</p> <p>d) The issuer or the sponsor (if the issuer is a special purpose acquisition company) must retain original copies (or certified copies where appropriate) of all documents required pursuant to this Article for a period not less than ten years from the completion of the offer or the direct listing in the Parallel Market, and without prejudice to this period, in</p>	<p>sponsor obligations when submitting the abovementioned application.</p>



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	<p>case of any litigation or claim (including any litigation pending or threatened) or any on-going investigations relating to these documents, it must retain such documents until the closure of that litigation, claim or on-going investigation.</p> <p>...</p> <p>h) If the offer is made by a special purpose acquisition company: 1) subparagraphs (2), (3), (7), (13), and (15) of paragraph (b), subparagraph (1) of paragraph (c), and paragraph (d) of this Article shall apply to the sponsor in addition to the special purpose acquisition company. 2) subparagraphs (11) and (12) of paragraph (b) of this Article shall not apply to the special purpose acquisition company unless it has been established for one financial year without listing its shares on the Parallel Market.</p>	
<p>PART 8: Offer or Registration in Parallel Market Article 86: Dissemination of information An issuer who is seeking to register and offer its securities in the Parallel Market, an issuer who is seeking to register its shares in the Parallel Market or an issuer whose securities are listed on the Parallel Market is</p>	<p>PART 8: Offer or Registration in Parallel Market Article 87: Dissemination of information An issuer who is seeking to register and offer its securities in the Parallel Market, an issuer who is seeking to register its shares in the Parallel Market or an issuer whose securities are listed on the Parallel Market is</p>	<p>It is proposed to amend Article (86) of Chapter (8) of the Rules on the Offer of Securities and Continuing Obligations to clarify the applicability of the regulations governing information disclosure to the sponsor of a special purpose acquisition company.</p>



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subject to the provisions of Article (32) of these Rules.	subject to the provisions of Article (32) of these Rules. The provisions of this Article shall apply to the sponsor if the issuer is a special purpose acquisition company.	
<p>PART 8: Offer or Registration in Parallel Market Article 88: Conditions and requirements applicable to a rights issue or capital increase with the suspension of preemptive rights ...</p>	<p>PART 8: Offer or Registration in Parallel Market Article 89: Conditions and requirements applicable to a rights issue or capital increase with the suspension of preemptive rights ... (e) If the issuer is a special purpose acquisition company, it may raise the company's capital by way of a rights issue before completing the acquisition or merger transaction. The provisions of paragraphs (e), (f), and (g) of Article (79), and paragraph (7) of Article (94) of these Rules shall apply to the proceeds of the offer.</p>	It is proposed to amend Article (88) of Part (8) of the Rules on the Offer of Securities and Continuing Obligations to clarify the provisions governing the proceeds from the issuance of rights issue shares or shares issued with the suspension of preemptive rights for special purpose acquisition company, in cases where the company increases its capital before completing the acquisition or merger transaction with the target company.
<p>PART 8: Offer or Registration in Parallel Market Article 93: Continuing Obligations An issuer of securities listed on the Parallel Market must comply with Part 7 of these Rules subject to the following: ...</p>	<p>PART 8: Offer or Registration in Parallel Market Article 94: Continuing Obligations An issuer of securities listed on the Parallel Market must comply with Part 7 of these Rules subject to the following: ... 7) If the issuer is a special purpose acquisition company, the issuer must -in addition to complying with the provisions of Part 7 of these Rules-</p>	It is proposed to amend Article (93) of Part (8) of the Rules on the Offer of Securities and Continuing Obligations to include a disclosure requirement for special purpose acquisition companies concerning the proceeds of the offering, their utilizations, and the sponsor's efforts to identify the target company for the acquisition or merger transaction.



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	disclose on a semi-annual basis the developments in the proceeds of the offer and their utilizations, including the escrow account balance and its utilizations, as well as the sponsor's efforts in searching for the target company for the acquisition or merger transaction.	
<p align="center">ANNEX 9(A): Sponsor's Declaration</p> <p>To: The Authority</p> <p>We, being directors of _____</p> <p>(insert name of sponsor) ("the sponsor"), hereby jointly and severally declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) the sponsor:</p> <p>...</p> <p>We confirm that there are no other facts bearing on the issuer's application for registration and admission to listing or application for the registration of securities, which in our opinion, should have been disclosed by the sponsor to the Authority. We further confirm that we:</p> <p>...</p> <p>3. have understood in particular what is required of us to enable holders of the listed securities and the public to appraise the issuer and the sponsor.</p> <p>We acknowledge that the issuer's securities will be entitled to remain listed only if the securities comply with the</p>	<p align="center">ANNEX 9(A): Sponsor's Declaration</p> <p>To: The Authority</p> <p>We, being directors of _____</p> <p>(insert name of sponsor) ("the sponsor"), hereby jointly and severally declare that to the best of our knowledge and belief (having taken reasonable care to ensure that such is the case) the sponsor:</p> <p>...</p> <p>We confirm that there are no other facts bearing on the issuer's application for registration and admission to listing or application for the registration of securities, which in our opinion, should have been disclosed by the sponsor to the Authority. We further confirm that we:</p> <p>...</p> <p>3. have understood in particular what is required of us to enable holders of the listed securities and the public to appraise the issuer and the sponsor.</p> <p>We acknowledge that the issuer's securities will be entitled to remain listed only if the securities comply with the applicable</p>	<p>It is proposed to amend Annex (9)(a) of the Rules on the Offer of Securities and Continuing Obligations to clarify the form of the declaration submitted by the sponsor of the special purpose acquisition company.</p>



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<p>applicable requirements of the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations, and the special purposes entity and the sponsor compliance with these requirements. We hereby jointly and severally undertake and agree to comply with the Capital Market Law, the Listing Rules, the Rules on the Offer of Securities and Continuing Obligations and other rules issued from time to time by the Authority. We, in particular, undertake and agree to comply with the continuing obligations to the Authority, as set out in the relevant part of the Capital Market Law, the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations. We further jointly and severally undertake to use our best efforts to ensure that the special purposes entity and the sponsor also comply with the Capital Market Law, the Listing Rules, the Rules on the Offer of Securities and Continuing Obligations and other rules issued from time to time by the Authority. We acknowledge the power of the Authority to suspend or cancel the listing of the special purposes entity's securities and to take any other actions in accordance with its rules.</p> <p>...</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the</p>	<p>requirements of the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations, and the special purposes entity and the sponsor or the special purpose acquisition company and the sponsor [use as applicable] compliance with these requirements. We hereby jointly and severally undertake and agree to comply with the Capital Market Law, the Listing Rules, the Rules on the Offer of Securities and Continuing Obligations and other rules issued from time to time by the Authority. We, in particular, undertake and agree to comply with the continuing obligations to the Authority, as set out in the relevant part of the Capital Market Law, the Listing Rules and the Rules on the Offer of Securities and Continuing Obligations. We further jointly and severally undertake to use our best efforts to ensure that the special purposes entity and the sponsor or the special purpose acquisition company and the sponsor [use as applicable] also comply with the Capital Market Law, the Listing Rules, the Rules on the Offer of Securities and Continuing Obligations and other rules issued from time to time by the Authority. We acknowledge the power of the Authority to suspend or cancel the listing of the special purposes entity's or the special purpose acquisition company's [use as applicable] securities and to take any other actions in accordance with its rules.</p>	



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original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].	... [This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror or the sponsor (if the issuer is a special purpose acquisition company) shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror or the sponsor (if the issuer is a special purpose acquisition company) shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].	
<p>Annex 23 Form of a Legal Advisor's Letter</p> <p>[To be provided on the legal advisor's letterhead]</p> <p>To: The Authority</p> <p>We act as legal advisor to [please insert the name of the issuer] (referred to hereinafter as "issuer") in respect of the issuer's application for registration and offer of securities or registration of securities [use as applicable] (please provide details of the securities).</p> <p>We further refer to the draft prospectus / shareholders circular</p>	<p>Annex 23 Form of a Legal Advisor's Letter</p> <p>[To be provided on the legal advisor's letterhead]</p> <p>To: The Authority</p> <p>We act as legal advisor to [please insert the name of the issuer] (referred to hereinafter as "issuer") in respect of the issuer's application for registration and offer of securities or registration of securities [use as applicable] (please provide details of the securities).</p> <p>We further refer to the draft prospectus / shareholders circular</p>	<p>It is proposed to amend Annex (23) of the Rules on the Offer of Securities and Continuing Obligations to clarify the form of the legal advisor's letter (if applicable) that may be prepared when submitting an application for registering and offering shares of a special purpose acquisition company.</p>



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<p>/ registration document [use as applicable] prepared in relation to the issuer [please provide details of the offer], and more specifically, in connection with the application to the Capital Market Authority (the “Authority”) for the registration and offer of the securities of the issuer or registration of securities [use as applicable]. We have, in relation to the application, and in consultation with the financial advisor to the application, advised the issuer in relation to the requirements of the Capital Market Law its Implementing Regulations and the Exchange Rules including the Rules on the Offer of Securities and Continuing Obligations.</p> <p>In particular, we have advised the issuer on the content of the legal sections of the prospectus / shareholders circular / registration document [use as applicable]. In this respect, we have carried out such further review and enquiries as we consider appropriate in the circumstances and (have undertaken a formal legal due diligence review [use as applicable])</p> <p>...</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim</p>	<p>/ registration document [use as applicable] prepared in relation to the issuer [please provide details of the offer], and more specifically, in connection with the application to the Capital Market Authority (the “Authority”) for the registration and offer of the securities of the issuer or registration of securities [use as applicable]. We have, in relation to the application, and in consultation with the financial advisor to the application, advised the issuer and the sponsor (if the issuer is a special purpose acquisition company) in relation to the requirements of the Capital Market Law its Implementing Regulations and the Exchange Rules including the Rules on the Offer of Securities and Continuing Obligations.</p> <p>In particular, we have advised the issuer and the sponsor (if the issuer is a special purpose acquisition company) on the content of the legal sections of the prospectus / shareholders circular / registration document [use as applicable]. In this respect, we have carried out such further review and enquiries as we consider appropriate in the circumstances and (have undertaken a formal legal due diligence review [use as applicable]).</p> <p>...</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror or the sponsor (if the</p>	



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(including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].	issuer is a special purpose acquisition company) shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror or the sponsor (if the issuer is a special purpose acquisition company) shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request].	
<p align="center">Annex 26: Contents of a Prospectus in the Parallel Market</p> <p>The prospectus for the registration and offering of securities in the Parallel Market shall contain the following as minimum:</p> <p>1. Cover page This section must include the following information (where applicable): 10) the following declaration:</p> <p>“This prospectus includes information provided in compliance with the Rules on the Offer and Continuing Obligations issued by Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority"). The directors, whose names appear in this prospectus, collectively and individually accept full</p>	<p align="center">Annex 26: Contents of a Prospectus in the Parallel Market</p> <p>The prospectus for the registration and offering of securities in the Parallel Market shall contain the following as minimum. However, the prospectus submitted for the registration and offering of shares by a special purpose acquisition company in the Parallel Market are exempted from the requirements specified at section (7), subparagraph (2) of paragraph (b) in section (10), section (11), section (13), paragraphs (1) and (3) in section (15), paragraph (4) in section (20) (unless the special purpose acquisition company has been established for one financial year without listing its shares on the Parallel Market), and section (21):</p>	It is proposed to amend Annex (26) of the Rules on the Offer of Securities and Continuing Obligations to clarify the contents of the prospectus that will be submitted when registering and offering shares of a special purpose acquisition company.



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<p>responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omissions of which would make any statement in the prospectus misleading. The Authority and the Exchange do not take any responsibility for the contents of this prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Those wishing to buy listed shares under this prospectus shall verify the information related to the shares being offered; and consult a licensed financial advisor when facing any difficulty understanding the contents of this prospectus.”</p> <p>...</p> <p>10. Risk Factors</p> <p>...</p> <p>b) This section must include information in relation to risk factors specific to:</p> <ol style="list-style-type: none"> 1) the issuer; 2) the market and industry in which the issuer operates; and 3) the shares being offered. <p>...</p>	<p>1. Cover Page</p> <p>This section must include the following information (where applicable):</p> <p>...</p> <p>10) the following declaration:</p> <p>“This prospectus includes information provided in compliance with the Rules on the Offer and Continuing Obligations issued by Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority"). The directors of the issuer, or the directors of the issuer and sponsor (if the issuer is a special purpose acquisition company), whose names appear in this prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omissions of which would make any statement in the prospectus misleading. The Authority and the Exchange do not take any responsibility for the contents of this prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Those wishing to buy listed shares under this prospectus shall verify the information related to the shares being offered; and consult a licensed financial advisor when facing any difficulty understanding the contents of this prospectus.”.</p>	
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	<p>...</p> <p>10. Risk Factors</p> <p>...</p> <p>b) This section must include information in relation to risk factors specific to:</p> <ol style="list-style-type: none"> 1) the issuer; 2) the market and industry in which the issuer operates; and 3) the shares being offered. <p>c) If the issuer is a special purpose acquisition company, this section must include -in addition to the required information in paragraph (a) and (b) above- information in relation to risk factors specific to:</p> <ol style="list-style-type: none"> 1) the return of amounts deposited in the special purpose acquisition company's escrow account to shareholders in the event the redemption right being exercised. 2) achieving rewards from the investment of amounts deposited in the special purpose acquisition company's escrow account prior to completing the acquisition or merger transaction with the target company. 3) The absence of a company that meets the conditions and criteria for the target company. 4) Failure of the special purpose acquisition company to achieve its objectives and the ensuing procedures. 	



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	<p>5) The market and sector targeted by the special purpose acquisition company.</p> <p>...</p> <p>22. Summary of the Special Purpose Acquisition Company</p> <p>If the issuer is a special purpose acquisition company, this section shall include the following information:</p> <ol style="list-style-type: none"> 1. The conditions and criteria for identifying the target company for the acquisition or merger, the market and sector in which it operates, its business nature, and the strengths and competitive advantages of the targeted sector for investment. 2. A summary of the sponsor, including its experience in carrying out the activity of managing investments and operating funds. 3. The sponsor's strategy for searching and identifying the target company for completing the transaction, and the timeframe for completing the acquisition. 4. A declaration by the sponsor stating that no on-going binding agreement with any target company was in place prior to the submission of the offering of the special purpose acquisition company's shares. 5. A declaration by the sponsor to act in good faith 	



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	<p>and in the best interest of investors.</p> <p>6. The sponsor's rights under the special purpose acquisition company's articles of association, as well as the responsibilities of the sponsor, the board of directors, and senior executives in identifying the target company.</p> <p>7. Details of any discussions or negotiations conducted by the sponsor with potential target companies prior to submitting the special purpose acquisition company's application for registration and offer of its shares, including the nature and sector of those companies and their alignment with the conditions and criteria for identifying target company.</p> <p>8. Compensation (if any) to the special purpose acquisition company's board members and senior executives for their services.</p> <p>9. A statement on the potential dilution of shareholders' ownership percentages in the special purpose acquisition company if the transaction results in a capital increase through the issuance of new shares.</p> <p>10. A statement on how to use the proceeds resulting from the investment amounts deposited in the escrow</p>	



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	<p>account, and the mechanism for addressing potential losses from these investments.</p> <p>11. A statement of the special purpose acquisition company's balance sheet reviewed by the certified public accountant.</p>	
<p>Annex 27: Form of Financial Advisor's Letter with Regards to An Application for Registration and Offer on The Parallel Market or an Application for Registration in The Parallel Market</p> <p>[To be provided on the Financial Advisor's letterhead]</p> <p>To: Capital Market Authority In our capacity acting as the financial advisor to [<i>please insert the name of the issuer</i>] (referred to hereinafter as <i>the "issuer"</i>) in respect of the issuer's application for registration and offer of shares [<i>please provide details of the shares</i>] in the Parallel Market or the issuer's application for registration in the Parallel Market, and in accordance with Article (76) of the Rules on the Offer of Securities and Continuing Obligations, we [<i>please insert the name of the financial advisor</i>] confirm, to the best of our knowledge, and through conducting due diligence and making enquiries from the issuer and its directors, that the issuer has satisfied all conditions required for registration and offer of shares in the Parallel Market or</p>	<p>Annex 27: Form of Financial Advisor's Letter with Regards to An Application for Registration and Offer on The Parallel Market or an Application for Registration in The Parallel Market</p> <p>[To be provided on the Financial Advisor's letterhead]</p> <p>To: Capital Market Authority In our capacity acting as the financial advisor to [<i>please insert the name of the issuer</i>] (referred to hereinafter as <i>the "issuer"</i>) in respect of the issuer's application for registration and offer of shares [<i>please provide details of the shares</i>] in the Parallel Market or the issuer's application for registration in the Parallel Market, and in accordance with Article (76) of the Rules on the Offer of Securities and Continuing Obligations, we [<i>please insert the name of the financial advisor</i>] confirm, to the best of our knowledge, and through conducting due diligence and making enquiries from the issuer and its directors, and the sponsor (if the issuer is a special purpose acquisition company) that the sponsor and the issuer</p>	<p>It is proposed to amend Annex (26) of the Rules on the Offer of Securities and Continuing Obligations to clarify the form of financial advisor's letter that will be prepared when submitting an application for registering and offering shares of a special purpose acquisition company.</p>



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<p>for the registration in the Parallel Market (use as applicable) and has satisfied all other matters required by Capital Market Authority ("the Authority") as of the date of this letter.</p> <p><i>[please insert the financial advisor name]</i> further confirms that to the best of its knowledge and within its capacity as financial advisor, provided to the Authority any information or clarifications in such form and within such time limit as the Authority requires for the purpose of verifying whether <i>[please insert the financial advisor name]</i> and the issuer have complied with the Capital Market Law and the Rules on the Offer of Securities and Continuing Obligations.</p> <p>In particular, <i>[please insert the financial advisor name]</i> confirms that:</p> <ol style="list-style-type: none"> 1) It has provided all relevant services as per the Rules on the Offer of Securities and Continuing Obligations with due care and skill. 2) It has taken reasonable steps to satisfy itself that the directors of the issuer understand the nature and extent of their responsibilities under the Capital Market Law and its Implementing Regulations; 3) It has come to a reasonable opinion, based on due 	<p>have satisfied (where applicable) all conditions required for registration and offer of shares in the Parallel Market or for the registration in the Parallel Market (use as applicable) and have satisfied all other matters required by Capital Market Authority ("the Authority") as of the date of this letter.</p> <p><i>[please insert the financial advisor name]</i> further confirms that to the best of its knowledge and within its capacity as financial advisor, provided to the Authority any information or clarifications in such form and within such time limit as the Authority requires for the purpose of verifying whether <i>[please insert the financial advisor name]</i>, the issuer and the sponsor have complied with the Capital Market Law and the Rules on the Offer of Securities and Continuing Obligations.</p> <p>In particular, <i>[please insert the financial advisor name]</i> confirms that:</p> <ol style="list-style-type: none"> 1) It has provided all relevant services as per the Rules on the Offer of Securities and Continuing Obligations with due care and skill. 2) It has taken reasonable steps to satisfy itself that the directors of the issuer or the directors of the issuer and the sponsor (if the issuer is a special purpose acquisition company) understand the nature and extent of their responsibilities under the 	



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<p>enquiry and professional experience, that:</p> <p>a) the issuer has satisfied all requirements relevant to the registration and offer in the Parallel Market or for the registration in the Parallel Market (use as applicable), (including provisions regarding the prospectus)/(including provisions regarding the shareholder circular)/(including the registration document) [use as applicable];</p> <p>b) the directors of the issuer have established adequate procedures, controls and systems which enable the issuer to comply with the requirements of the Rules on the Offer of Securities and Continuing Obligations, Capital Market Law and its Implementing Regulations; and</p> <p>...</p> <p>[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the offeror shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the offeror</p>	<p>Capital Market Law and its Implementing Regulations;</p> <p>3) It has come to a reasonable opinion, based on due enquiry and professional experience, that:</p> <p>a) the issuer or the issuer and the sponsor (if the issuer is a special purpose acquisition company) have satisfied (as applicable) all requirements relevant to the registration and offer in the Parallel Market or for the registration in the Parallel Market (use as applicable), (including provisions regarding the prospectus)/ (including provisions regarding the shareholder circular)/(including the registration document) [use as applicable];</p> <p>b) the directors of the issuer or the directors of the issuer and the sponsor (if the issuer is a special purpose acquisition company) have established adequate procedures, controls and systems which enable the issuer to comply with the requirements of the Rules on the Offer of Securities and Continuing Obligations, Capital Market Law and its Implementing Regulations; and</p> <p>...</p>	



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shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request]	[This Annex shall be submitted electronically through the automated system determined by the Authority for this purpose and the issuer or the sponsor (if the issuer is a special purpose acquisition company) shall retain the original copies (or, where appropriate, certified copies) for a period not less than ten years. In case of a lawsuit or claim (including any existing or threatened action) or any existing investigation procedures relating to such documents, the issuer or the sponsor (if the issuer is a special purpose acquisition company) shall retain such documents until the completion of such litigation, claim or investigation procedures. Moreover, such documents must be submitted to the Authority upon request]. Moreover, such documents must be submitted to the Authority upon request].	
<p>Annex 29: Contents of Shareholders’s Circular for a Capital Increase of a Company Which Shares are Listed on the Parallel Market to Acquire a Company or Purchase an Asset</p> <p>The shareholders’ circular submitted for registration and offering of shares for capital increase of a company the shares of which are listed on the parallel market, to acquire a company or purchase an asset, shall contain the following information:</p> <p>1. Cover page</p> <p>This section must include the following information:</p>	<p>Annex 29: Contents of Shareholders’s Circular for a Capital Increase of a Company Which Shares are Listed on the Parallel Market to Acquire a Company or Purchase an Asset or When a Target Company for Acquisition or Merger Transaction is Identified by the Special Purpose Acquisition Company Whose Shares are Listed on the Parallel Market</p> <p>The shareholders’ circular submitted for registration and offering of shares for capital increase of a company the shares of which are listed on the parallel</p>	It is proposed to amend the contents of the shareholders’ circular regulated in Annex 29 of the Rules on the Offer of Securities and Continuing Obligations to allow it to be submitted by the special purpose acquisition company when it is identified to the company with which the acquisition or merger transaction is to be completed, whether or not this results in an increase in the company’s capital.



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<p>1) a summary of the acquisition and purchasing transaction, purpose of the capital increase and the identity of the target company/assets.</p> <p>2) the following declaration: “This shareholders' circular contains information provided in compliance with the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") The directors, whose names appear in this circular, collectively and individually accept full responsibility for the accuracy of the information contained in this shareholders' circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omissions of which would make any statement in the circular misleading. The Authority and the Exchange do not take any responsibility for the contents of this circular, do not make any representation as to its accuracy or completeness, and</p>	<p>market, to acquire a company or purchase an asset, or submitted when identifying the target company by a special purpose acquisition company listed on the Parallel Market shall contain the following information:</p> <p>1. Cover Page This section must include the following information (where applicable):</p> <p>1) a summary of the acquisition and purchasing transaction, purpose of the capital increase and the identity of the target company/assets.</p> <p>2) If the issuer is a special purpose acquisition company, this section must include the following information:</p> <p>a. a summary of the acquisition or merger transaction, the purpose of the transaction, and the identity of the target company for completing the transaction.</p> <p>b. Share exchange ratio, type, class, and rights of shares in the company targeted for completing the transaction by the special purpose acquisition company.</p> <p>c. Substantial shareholders and details of their ownership in the target company for the acquisition or merger transaction after the completion of the transaction by the special purpose acquisition company.</p> <p>d. Substantial shareholders of the target company and details of their ownership in the listed</p>	



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<p>expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this circular. A licensed financial advisor shall be consulted when facing any difficulty understanding the contents of this circular.”</p> <p>2. Description and structure of the transaction.</p> <p>3. Risk factors related to the transaction.</p> <p>4. Timeframe of the transaction.</p> <p>5. Description of the targeted asset /company and the company's operations and industry.</p> <p>6. Key accounting items of the issuer's audited financial statements.</p> <p>7. Key accounting items of the audited financial statements (if any) for the targeted asset or company (as applicable).</p> <p>8. Key accounting items for the pro-forma financial statements which reflect the issuer's condition following the capital increase.</p> <p>9. Valuation of the asset or the company to be acquired;</p> <p>10. The material legal information which the Issuer's shareholders should take into consideration to make a well informed voting decision on the capital increase for the reason disclosed in the circular.</p> <p>11. Related parties to the transaction;</p> <p>12. Any new proposed members of the board or the</p>	<p>company after the completion of the transaction.</p> <p>e. Shareholder rights in the special purpose acquisition company and the mechanism for implementation.</p> <p>f. The procedures that will be taken by the sponsor if the acquisition or merger transaction with the target company is approved, while shareholders who voted against the transaction exercised their redemption rights, resulting in insufficient remaining amounts to complete the transaction and the special purpose acquisition company's inability to secure financing to cover the shortfall.</p> <p>3) the following declarations: “This shareholders' circular contains information provided in compliance with the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") The directors of the issuer, or the directors of the issuer and the sponsor (if the issuer is a special purpose acquisition company), whose names appear in this circular, collectively and individually accept full responsibility for the accuracy of the information contained in this shareholders' circular and confirm, having made all</p>	



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<p>executive management in the issuer as a result of the transaction;</p> <p>13. A statement from the directors of the issuer confirming that in the board's view the proposed capital increase to acquire a company/ asset is in the best interests of the issuer and the shareholders.</p> <p>14. The issuer shall indicate the place in the kingdom where the following documents can be viewed and the timeframe for that (provided that this timeframe is no less 14 days prior to the Extraordinary General Assembly meeting):</p> <ol style="list-style-type: none"> 1) The documents and agreements related to the acquisition; 2) The issuer's pro-forma financial statements, and the audited financial statements for the target company/asset (if any).; 3) The valuation report; 4) Any additional document required by the Authority. 	<p>reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omissions of which would make any statement in the circular misleading. The Authority and the Exchange do not take any responsibility for the contents of this circular, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this circular. A licensed financial advisor shall be consulted when facing any difficulty understanding the contents of this circular.”</p> <p>2. Corporate directory If the issuer is a special purpose acquisition company, this section shall include the following:</p> <ol style="list-style-type: none"> 1. The special purpose acquisition company's and its representatives contact information, including addresses, telephone numbers, e-mail addresses, and the company's website. 2. the contact information, including addresses, telephone numbers, and website and e-mail addresses, for each of the parties listed below, and any other expert to whom a statement or report included in the prospectus has been attributed: 	



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	<p>a. independent valuer appointed to evaluate the target company.</p> <p>b. Sponsor of the special purpose acquisition company.</p> <p>3. Summary of financial information If the issuer is a special purpose acquisition company, this section shall include a summary of the financial information for the target company for completing the transaction, including operational performance, financial condition, cash flows, key performance indicators, and the impact of completing the transaction on the company's financial position.</p> <p>4. Description and structure of the transaction.</p> <p>5. Use of Proceeds (if the issuer is a special purpose acquisition company).</p> <p>6. Businesses involving related conflict of interest transactions (if the issuer is a special purpose acquisition company).</p> <p>7. Risk Factors This section must include information in relation to risk factors specific to (where applicable):</p> <ol style="list-style-type: none"> 1. The transaction. 2. The target company for completing the transaction by the special purpose acquisition company, including the market and 	



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	<p>sector in which the company operates.</p> <p>3. The new shares that will be listed by the special purpose acquisition company, in case the transaction involves a capital increase for the company.</p> <p>8. Information about the market and sector If the issuer is a special purpose acquisition company, this section shall include information on the market and sector in which the target company operates.</p> <p>9. The Target Company's background and business nature If the issuer is a special purpose acquisition company, this section shall include the following information:</p> <ol style="list-style-type: none"> 1. The official name, commercial registration number, the address shown in the commercial registration and, if different, the principal address of the target company. 2. The date of incorporation of the target company. 3. The value of the target company and what it represents of the escrow account. 4. The mechanism used to identify the target company. 5. Confirmation that the target company meets the conditions and criteria specified in the prospectus. 	



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	<p>10. Timeframe of the transaction.</p> <p>11. Description of the targeted asset /company and the company's operations and industry.</p> <p>12. Key accounting items of the issuer's audited financial statements, and if the issuer is a special purpose acquisition company, key accounting items of the issuer's audited financial statements (if any).</p> <p>13. Key accounting items of the audited financial statements (if any) for the targeted asset or company (as applicable), and if the issuer is a special purpose acquisition company, key accounting items of the audited financial statements for the target company for completing the acquisition or merger transaction.</p> <p>14. Key accounting items for the pro-forma financial statements which reflect the issuer's condition following the capital increase, and if the issuer is a special purpose acquisition company, key accounting items for the pro-forma financial statements which reflect the issuer's condition following the completion of the acquisition or merger transaction with the target company.</p> <p>15. Valuation of the asset or the company to be acquired, and if</p>	



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	<p>the issuer is a special purpose acquisition company, the independent valuer's report regarding the target company for the acquisition or merger transaction, including a detailed explanation of the mechanism of the valuation;</p> <p>16. The material legal information which the Issuer's shareholders should take into consideration to make a well informed voting decision on the capital increase for the reason disclosed in the circular, and if the issuer is a special purpose acquisition company, the material legal information which the Issuer's shareholders should take into consideration to make a well informed voting decision on the acquisition or merger transaction with the target company by the special purpose acquisition company.</p> <p>17. Related parties to the transaction.</p> <p>18. Any new proposed members of the board or the executive management in the issuer as a result of the transaction;</p> <p>19. A statement from the directors of the issuer confirming that in the board's view the proposed capital increase or the proposed transaction (if the issuer is a special purpose acquisition company) (where applicable)</p>	



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	<p>to acquire a company/ asset is in the best interests of the issuer and the shareholders.</p> <p>20. The issuer shall indicate the place in the kingdom where the following documents can be viewed and the timeframe for that (provided that this timeframe is no less 14 days prior to the Extraordinary General Assembly meeting):</p> <ol style="list-style-type: none"> 1) The documents and agreements related to the acquisition, or the documents and agreements related to the acquisition or merger with the target company by the special purpose acquisition company (as applicable). 2) The issuer's pro-forma financial statements, and the audited financial statements for the target company/asset (if any), or the issuer's pro-forma financial statements (if the issuer is a special purpose acquisition company) and the audited financial statements for the target company (as applicable). 3) The valuation report; 4) Any additional document required by the Authority. <p>21. Declarations: If the issuer is a special purpose acquisition company, the members of the sponsor's board of directors shall declare the following:</p> <ol style="list-style-type: none"> 1. No direct or indirect ownership in the target company. 	



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	2. Acting in all cases in good faith and in the interest of investors.	

E) Proposed amendments to the Glossary of Defined Terms Used in The Regulations and Rules of The Capital Market Authority compared with the current provisions:

Glossary of Defined Terms Used in The Regulations and Rules of the Capital Market Authority		
Proposed	Amendments	Explanation
Sponsor: The person responsible for sponsoring the special purposes entity in accordance with the provisions of the Rules for Special Purposes Entities.	Sponsor: The person responsible for sponsoring the special purposes entity in accordance with the provisions of the Rules for Special Purposes Entities. In Part 8 of the Rules on the Offer of Securities and Continuing Obligations, it means: a Capital Market Institution licensed to manage investments and operate funds, and it establishes a special purpose acquisition company for the purpose of acquisition or merger with a Saudi company whose shares are not listed.	It is proposed to amend this term in the Glossary of Defined Terms Used in The Regulations and Rules of The Capital Market Authority to clarify the meaning of a sponsor in a special purpose acquisition company and its role.
-	Special Purpose Acquisition Company: A joint stock company established in accordance with the provisions of the Companies Law for the purpose of acquisition or merger with a Saudi company whose shares are not listed, in accordance with the provisions of Part (8) of the Rules on the Offer of Securities and Continuing Obligations.	It is proposed to add this term to the Glossary of Defined Terms Used in The Regulations and Rules of The Capital Market Authority to clarify the meaning of a special purpose acquisition company.