

Resolution No. (24) of 2013
of the CMA Board of Commissioners
Regarding
The Controls of the Nomination Mechanism for the Licensed
Person's Board Membership

Having perused:

- Law No. (7) of 2010 regarding the "Establishment of the Capital Markets Authority and Regulating Securities Activity", and its Executive Bylaw; and
- Decree Law No. (25) of 2012 on the Issuance of the Companies' Law, and Law No. (97) of 2013 on amending some of the Articles of Decree Law No. (25) of 2012 on the Issuance of the Companies' Law; and
- CMA Regulations No. (C.M.A/S.S/C.G/1/2013) regarding the Competency and Integrity Principles; and
- Based on CMA Board of Commissioners' Resolution passed in its meeting No. (8) of 2013 held on 15-16/5/2013 regarding its approval of adopting the controls of the nomination mechanism for the licensed person's Board membership.

We Resolved the Following

Article (1): In line with the Governance Rules, the nomination mechanism for the licensed person's Board membership is hereby defined according to the following controls:

(First)- The licensed person shall publish an announcement in at least two daily newspapers to invite the persons willing to be nominated for the Board membership. The nomination shall be allowed for two weeks from

the issue date. In addition, an announcement shall be published on the licensed person's website. The company listed in the securities exchange shall also publish an announcement in KSE website.

(Second)- The names of the nominees for the Board's membership shall be sent to the CMA according to the form attached with Regulations No. (C.M.A/S.S/C.G/1/2013) regarding the Competency and Integrity Principles.

(Third)- The CMA shall study the candidates' names mentioned in the forms to make its decision. The CAM shall inform the licensed person of the names of the nominees for the Board's membership which have been approved by the CMA within 30days from the date of submitting the request.

(Fourth)- The licensed person shall notify the CMA of the names of the Board members as soon as they are elected in the general assembly of the company in order to mark the CMA's register.

Article (2): The concerned bodies shall execute this Resolution, each within its own jurisdiction. It shall come into force three months after its issuance.

Dr. Mahdy I. Al-Jazzaf

Vice Chairman, CMA Board of Commissioners

Issued on 29 / 5 / 2013