Decision of the Chairman of the CMA Board of Directors No. (   ) of 2026
Concerning the Terms and Controls for the Private Placement of Securities by Free Zone Companies Through Markets

The Chairman of the Board of Directors of the Capital Market Authority,

Having reviewed:

Federal Law No. (8) of 2004 on Financial Free Zones;

Federal Decree by Law No. (32) of 2025 Regarding the Capital Market Authority,

Federal Decree by Law No. (33) of 2025 Regarding the Regulation of Capital Market;

Cabinet Resolution No. (28) of 2007 Regarding the Executive Regulations of Federal Law No. (8) of 2004 Regarding Financial Free Zones;

Cabinet Resolution No. (51/2w) of 2025 Concerning the Restructuring of the Board of Directors of the Capital Market Authority;

The Chairman of the Authority's Board of Directors' Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms; and

Upon the approval of the Authority Board of Directors on ....,

Has decided:

Article (1) Definitions

For the purposes of implementing the provisions of this Decision, the following terms and expressions shall have the meanings assigned to each of them, unless the context requires otherwise:

The State	:	The United Arab Emirates.
Law	:	Federal Decree by Law No. (33) of 2025 Regarding the Regulation of Capital Market.
Authority	:	The Capital Market Authority.
Market	:	The securities market licensed by the Authority.
The Company	:	Means any of the companies set out below: 1. A company incorporated in a free zone (financial or non-financial) in the State, taking a legal form similar to a private joint-stock company. 2. A Public Limited Company (PLC) incorporated in a free zone or a financial free zone in the State. 3. Any other legal form approved by the Authority.
Free Zone Registrar	:	The registrar of the company in the free zone or financial free zone.
Private Placement	:	An invitation extended to any pre-determined category, or natural or legal person, to subscribe for any securities in accordance with the provisions of this Decision.

Private Placement Parties	**:**	The Financial Advisor and the Receiving Entity.
Private Placement Platform	**:**	An electronic platform at the Market dedicated to private placements and the invitation of concerned persons to subscribe.

Article (2) Scope of Application

First: The provisions of this Decision shall apply to the following:

1. The Company, upon offering its securities for private placement in a financial market within the State.
2. The Private Placement Parties.
3. The Market.

Second: The provisions of this Decision shall not apply upon increasing the capital of the Company in cases where the capital increase is not offered to new shareholders.

Article (3) Application for Offering Securities for Private Placement

A Company wishing to offer its securities for private placement in a Market within the State shall submit the offering application to the Authority, fulfilling the following documents and conditions:

1. A copy of the no-objection from the Free Zone Registrar.
2. The approval of the concerned Market to execute the private placement procedures through it and list therein in accordance with its conditions, and on the category of investors registered with the Market and targeted for the private placement.
3. A copy of the prospectus in accordance with the form approved by the Authority, provided that it includes, as a minimum, the information specified in this Decision.
4. A copy of the Memorandum of Association and Articles of Association of the Company, and any amendments thereto.
5. A copy of the Certificate of Incorporation and Commercial Register of the Company, provided that the Memorandum of Association or Articles of Association of the Company do not contain any provisions or restrictions preventing or restricting the possibility of offering securities through private placement or transferring their ownership.
6. The private placement shall be restricted to the category of investors registered with the Market in accordance with Item (2) above, to whom the securities will be offered for private placement, without prejudice to the initial approval of the Market.
7. Appointment of a Financial Advisor (Issuance Manager) licensed by the Authority in accordance with the decisions issued by the Authority.

8. Appointment of a Receiving Entity licensed in the State, and obtaining the approval of the Market thereon, provided that it complies with the same provisions set forth in the Decision on the Offering and Issuance of Shares of Public Joint-Stock Companies issued by the Authority; the Authority may add any other conditions or procedures it deems appropriate.
9. Statement of whether the Company wishes to offer its securities for private placement through the book-building mechanism, in which case the provisions and controls set forth in the Decision on the Offering and Issuance of Shares of Public Joint-Stock Companies regarding the book-building mechanism shall be complied with.
10. Submission of proof of the following:
    أ. That the capital and financial capabilities of the Company are capable and sufficient to cover its obligations and operational needs for a period of not less than twelve (12) months preceding the date of submitting the private placement application, as reflected in its financial plan and approved audited statements.
    ب. That the Company is not subject to bankruptcy proceedings indicating its inability to pay its debts prior to the date of submitting the private placement application, and for a maximum period of the preceding two years where the Company has been incorporated for more than two years.
    ج. That the net shareholders' equity is not less than (100%) of its paid-up capital, in accordance with the latest audited annual financial statements of the Company issued prior to the date of submitting the private placement application, unless the Authority decides on a lower percentage based on the financial position of the Company or its operational revenues.
11. The existence of a cooperation agreement between the Authority and the Free Zone Registrar in the field of supervision and oversight.
12. The Public Limited Company (PLC) incorporated in a free zone or a financial free zone in the State shall not be listed on the Market based on a public offering.
13. Payment of the prescribed fees.
14. Any other documents or data requested by the Authority.

Article (4) Private Placement Prospectus

First: The Company shall prepare a private placement prospectus in Arabic or English, or in both languages, in accordance with the form approved by the Authority, accompanied by supporting information, data, and documents, provided that it includes, as a minimum, the following data and information:

1. The name of the Company and its registration number in the Commercial Register.
2. The value of the Company's capital, the number of shares, the nominal value per share, and the rights attached to its securities subject to the private placement.

3. A statement of any change in the Company's capital during the year preceding the submission of the private placement application, where the Company has been incorporated for more than one year.
4. The purpose and objectives of the private placement, the use of proceeds resulting from the private placement, and the commencement and closing dates of the private placement.
5. The subscriber's right to amend or withdraw the subscription application and the specified deadlines therefor – if any.
6. A statement listing the names of major shareholders in the Company, their number of shares, and their ownership percentages.
7. A description of the rights attached to the securities subject to the placement.
8. Any terms or obligations that will apply to the target investor category.
9. A summary of the incorporation documents and subsequent information of the Company, including:
    - أ. The objectives of the Company and a description of the nature of its activities and purposes.
    - ب. The administrative structure and specialized committees therein.
    - ج. The names, curriculum vitae summaries, and powers of the members of the Company's board of directors and senior executive management.
    - د. A detailed statement of the companies owned by the Company and a description of the activities of such companies.
10. Key risks related to the Company, including its assets, liabilities, and financial position.
11. Risks related to investing in the securities subject to the private placement.
12. Details of any existing or potential lawsuits, regulatory proceedings, or arbitrations against the Company or any member of its group, which may materially and adversely affect its business or financial position.
13. A summary of all material contracts concluded by the Company (and each company owned by it at a rate of 25% or more) that were in force as of the date of submitting the private placement application.
14. A detailed statement of the Company's main assets, holdings, investments, projects, and current operations inside and outside the State.
15. A summary of General Assembly resolutions, if any, issued during the two years preceding the date of submitting the application, or since the date of incorporation of the Company if incorporated for a shorter period.
16. A summary of the Company's financial statements for a period not exceeding three months prior to the date of announcing the private placement document, including:
    - أ. Balance sheet.
    - ب. Income statement and cash flows.
    - ج. Key financial indicators.

د. Financial liabilities and their settlement schedules.

17. Any case of bankruptcy or inability to pay debts during the two years preceding the date of submitting the private placement application, or since the date of incorporation of the Company if incorporated for a shorter period.
18. A statement of the governance framework that the Company will follow post-private placement, including the approved governance standards it undertakes to implement, any material deviations therefrom and the reasons therefor, along with a description of the roles and responsibilities of the Board of Directors, senior management, and its committees, as well as internal control and risk management mechanisms.
19. The Authority may request any other clarifications, information, or documents if it deems necessary.

<u>Second</u>: The private placement prospectus may not be amended except after obtaining the approval of the Authority, provided that such amendment is disclosed by way of a supplementary document and disclosed through the Market.

Article (5) Decision of the Authority Regarding the Application for Offering Securities for Private Placement

1. The Authority shall issue its decision approving or rejecting the application within (10) business days from the date of receiving a complete application, provided that the Authority states the reasons in the event of rejection.
2. The Authority may subject its approval to such conditions or restrictions as it deems appropriate, according to its assessment of the Company's competence or based on the public interest.

Article (6) Obligations of the Company Following the Approval of the Authority

<u>Upon obtaining the approval of the Authority, the Company shall comply with the following:</u>

1. Provide the Market specified in the private placement application with the prospectus and the approval of the Authority within a period not exceeding (2) two business days from the issuance of the Authority's approval, and at least (5) business days prior to the commencement of the subscription.
2. Take the necessary measures following the closing of subscription to list the securities subject to the private placement on the Market specified in the application within the period specified in the prospectus, after satisfying the conditions and procedures for listing on the Market and registration for listing purposes with the Authority.

3. Refrain from offering or listing the security approved by the Authority for private placement on any market other than the one specified in the subscription application or any other entity, as well as refrain from promoting or inviting thereto in any shape or form, by any means or method, or to any persons not specified in the subscription application.
4. Provide investors with information and data regarding the risks associated with investing in private placements, and verify the investor's acceptance of the terms and conditions relevant thereto and their acknowledgment of the risk disclosure statement.
5. Notify the Authority immediately if any material change occurs to the documents or information related to the private placement after the date of submitting the application to the Authority and prior to the commencement of the private placement process, or after the commencement of the private placement process and prior to its completion. In such case, the Authority may request the Company to update the documents, submit another prospectus or amend it, or suspend or revoke the approval issued by it, or suspend the private placement procedures at its discretion.

Article (7) Liability of the Company for Data and Information

1. The Board of Directors of the Company shall bear full liability for the correctness, accuracy, and completeness of the data and information contained in the private placement application and prospectus, as well as all documents and reports submitted by the Company to the Authority. The receipt, review, or publication of these documents by the Authority shall not, under any circumstances, be deemed an acknowledgment, ratification, or implicit approval of their accuracy or correctness.
2. The Authority shall not be held liable for any electronic or non-electronic documents, records, or information provided to it that are forged, incorrect, or involve any fraud or manipulation.

Article (8) Receiving Subscribers' Complaints

The Company shall handle complaints submitted by subscribers in coordination with the Receiving Entity within five (5) business days from the date of submitting the complaint, provided that such complaints are submitted during the subscription period or within a maximum of one month from the closing of subscription.

Article (9) Private Placement Procedures

1. Neither the Company nor the Market may commence the offering process for private placement or invite thereto in any shape or form prior to the issuance of the approval of the Authority in accordance with the provisions of this Decision.

2. The security shall be offered for private placement in the Market exclusively to the categories of clients registered with the Market as defined by the Company, and such offering shall not be deemed part of promotion activity.
3. The offering for private placement may be conducted electronically.

Article (10) Obligations of the Market

The Market shall comply with the following:

First: General Obligations:

1. Ensure that the Company has obtained the approval of the Authority for the private placement offering.
2. Regulate the procedures for the private placement offering and the invitation thereto, without prejudice to the provisions of this Decision.
3. Regulate the listing and trading operations of the Company's securities after the closing of subscription, in accordance with the Market rules approved by the Authority.
4. Set specific conditions and criteria for investors registered therewith who are eligible to participate in private placements through the Market, provided that each investor holds an investor number at the Market in accordance with the procedures approved by it and in a manner that does not violate the provisions of this Decision.

Second: Market Obligations Regarding the Electronic Placement Platform:

1. Provide the technical and technological infrastructure, including information security and protection systems to manage and address cyber risks, immediately notify the Authority of any breach or violation thereof, and set the terms and conditions for using such platform.
2. Take all necessary electronic measures in coordination with the Receiving Entity to enable the investor to review the prospectus in full and be aware of all information related to the private placement prior to completing the electronic subscription application, ensuring that the displayed private placement prospectus is non-editable.
3. Provide the private placement prospectus to the specified investors.
4. Obtain the investor's consent to receive notifications and correspondence related to the invitation for private placement.
5. Document the investor's request to subscribe and the number of requested securities, and provide a reliable electronic mechanism enabling the investor to receive official notifications regarding subscription and allotment results, as well as confirmation of subscription execution.
6. Refrain from executing any subscription, allotment, or invitation for any private placement outside the framework of the Market and the specified investors registered therewith.

7. Enable the investor and the Company to review any prescribed commissions or fees related to the private placement or other transactions and procedures.

Article (11) Closing Provisions

1. A company subject to the provisions of this Decision may not offer its securities for private placement in more than one market within the State.
2. The Market, the depository center, and the clearing house may collect fees in accordance with the services provided by each of them.
3. A person who has purchased securities through a private placement in accordance with the provisions of this Decision may not offer, sell, or transfer the ownership of such securities to another person except through the same Market and in accordance with its procedures.
4. The Authority may request the provision of any documents or data from the Market or the Company, which shall comply with providing them within the period specified by the Authority.
5. The Authority shall have the right of supervision, investigation, oversight, and inspection over the Company and the Market and all related matters within the bounds of this Decision, and may seek the assistance of the Free Zone Registrar in this regard.
6. For the purposes of interpreting the provisions of this Decision, and in respect of matters not explicitly provided for herein, recourse shall be had to the terms contained in the Law and to the glossary of terms contained in the Chairman of the Authority's Board of Directors' Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms.
7. The Authority shall issue the annexes referred to in this Decision and any other annexes, decisions, or forms necessary for the implementation of its provisions.

Article (12) Administrative Measures

In the event of a violation of any of the provisions of this Decision, the Authority may take any of the following administrative measures:

1. Suspend private placement operations.
2. Cancel investors' subscriptions and compel the receiving entities to refund the amounts paid by subscribers together with accrued returns, provided that the Free Zone Registrar is notified accordingly.
3. Revoke any approval issued by it.

Article (13) Penalties

The penalties specified in the Law shall apply to actions committed in violation of the provisions of this Decision.

Article (14) Complaints

The Authority shall be competent to receive complaints related to the implementation of the provisions of this Decision in accordance with the controls and decisions issued by the Authority in this regard.

Article (15) Grievance Against Authority Decisions

Interested parties may file a grievance against decisions issued by the Authority in implementation of the provisions of this Decision, in accordance with the controls and decisions issued by the Authority in this regard.

Article (16) Publication of the Decision

This Decision shall be published in the Official Gazette and shall come into force as of the day following its publication date.

Mohamed Ali Al Shorafa Al Hammadi

Chairman of the Authority's Board of Directors

Issued in Abu Dhabi on: / /2026