

## Disclosure instructions of the listed companies at ISX No (8) for 2010

Pursuant to the provisions of section (3), of the Securities Market`s Law No (74) for 2010, have been issued the following instructions:

1. Each listed company at ISX should provide ISC with the annual report during a period don`t exceed (150) days from its financial year end, it should have been published by available media, also it should be prepared according to the valid accounting standards and contains the following:

A. Board of directors report that should contains the following:

- 1) Description to the main company activities and its geographical places.
- 2) List with the names of board of director members, as well the names and positions of highest director persons.
- 3) List with the names of great owners of shares which have been issued by the company, and the numbers of owned shares for each one, if it represents (5%) and more.
- 4) Description to any governmental protection or privileges enjoyed by the company or its production according to the laws.
- 5) Description to any decision issued by the government, the international organizations or other which have material effect on the company`s act, its production, or competitive ability.
- 6) The organizational structure of the listed company, the number of its employers and their qualifications, and the qualifying and training programs of the company`s employers.
- 7) Description to the risks that may face the company.
- 8) The achievements that achieved by the company, provides with the numbers and description of the important events that happened to the company during the financial year.
- 9) The financial effect of the processes that naturally unrepeated, happened during the financial year, and doesn`t include in the company`s main activity.
- 10) Analyses to the company`s financial status and the result of its works during the financial year.
- 11) The important future development includes any expansions or new projects, the future plan of the company at least for next year, and board of director`s expectations for the results of the company works.
- 12) List with the numbers of the issued securities by the company and have been owned by board of director members and highest director persons.
- 13) The amounts gained by board of director members and the current and previous authorized manager, as salary as well as cash and material premiums.
- 14) The amounts spend for advertisement, traveling, entertainment, and contributions.

15) The balance reserve and its uses.

16) Confess that there aren't any essential matters may effect on the continuation company during the following financial year.

The annual financial statement of the company have been prepared according to the valid accounting standards and audited by an independent auditor and authorized legally in Iraq, contains numbers of the current year comparing with the previous year and includes:

- 1) The balance sheet.
- 2) The profits and losses account (the current processes account).
- 3) The list of cash flow.
- 4) The clarifications which followed by the financial statements.

B. The auditor`s report (the statements should be audited according to the international auditing standards and the standards issued by the Iraqi standards council).

2. The listed company should disclose in its annual statements about those who own (5%) from company`s shares and any change leads to increase or decrease this contribution at one point whenever it knows.

3. If the listed company owns more than (50%) from another company`s capital, it shall be issued the annual financial statements in a united form in addition to the statements of the company.

4. Every company listed at ISX shall introduce quarter financial statements every three months during a period up to (60) days from the quarter end, also it shall prepared according to the executed accounting standards, and includes:

- a) The balance sheet, as at the end of the current quarter and comparative balance sheet as at the end of the previous financial year.
- b) The profit and loss account, of the current quarter and accumulative of the current financial year till its date and the profit and loss account of the same quarter in the previous year till its date.
- c) The list of cash flow, accumulative of the current financial year till its date with the same period in the previous year till its date.
- d) The clarifications which followed by the financial statements.

5. The listed company shall inform rapidly the commission and public at available of any essential information\* and especially the following:

- a) The important changing that happen to the following :
  - 1) The company`s assets.
  - 2) The obligations resulting on the company whether short-term or long term, and any distraintment on its assets.
  - 3) The capital structure.
  - 4) The changing in ownership of the company`s shares which make changing in its control.

- 5) Any essential events effects on the company.
- b) The big transactions which made and canceled by the company, and board of director's evaluation of the expect effect on the company's profit and its financial status.
- c) The disasters, blazes, and incidents which happen to the company and its effect on the financial status.
- d) Any material loses or profits effects on the financial position of the company by showing the reasons.
- e) The important decisions of board of director which effect on the issued securities, and the decisions related to:
  - First: issuing new securities.
  - Second: the changing in the capital investments or in the company's targets and markets.
  - Third: the beginning in the merging.
  - Fourth: distribution the profits.
  - Fifth: the optional clearance.
- f) The general assembly decisions for company, approved by the register companies' office.
- g) The invitation to unordinary general assembly meeting.
- h) Forming a new board of director to the company and resignation any one from board of director's members or its authorized manager.
- i) The company owns an effective ratio\*\* in the capital of another company.
- j) Another company owns an effective ratio in the capital of the listed company.

6. The commission should take the appropriate legal procedures on the violators to these instructions.

\* The essential information: any strategy decisions, essential developments, and important events effect on the company's performance, activity, ownership, and continuation. Then it should have direct or indirect effect on the value and activity of the securities at market.

\*\* The effect ratio: (10%) and more.