

أرامكو السعودية
saudi aramco



Saudi Arabian Oil Company (Saudi Aramco)

Subscription Guidelines for Saudi Aramco's IPO

A joint stock company by virtue of Council of Ministers Resolution No. 180 dated 1/4/1439H (corresponding to 19 December 2017G), with commercial registration No. 2052101150 dated 11/7/1439H (corresponding to 28 March 2018G).

Offering of a number of Saudi Aramco's Shares to be determined at the end of the Book-Building Period.

Offering For Individual Investors

The Retail Offering Period for the Individual Investors will begin on 20/3/1441H (corresponding to 17 November 2019G) and will close at the end of 1/4/1441H (corresponding to 28 November 2019G)

Price Range

Individual investors will subscribe based on a set price which will be the highest end of the price range to be announced on 20/3/1441H (corresponding to 17 November 2019G)

Final Offer Price

Final offer price will be determined and announced on 8/4/1441H (corresponding to 5 December 2019G)

Lead Manager

sambacapital سامبا كابتال

Receiving Entities



Disclaimer: Disclosure contained in these guidelines is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. A decision to invest in the Shares should be based solely on the information contained in the prospectus, which are available by visiting the websites of the Company (ipo.saudiaramco.com), the CMA (www.cma.org.sa), or the Financial Advisors. The Capital Market Authority and the Saudi Stock Exchange take no responsibility for the contents of this document, make no representations 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. A subscription decision without reading the prospectus carefully or fully reviewing its content may involve high risk. Therefore, investors should carefully read the prospectus in its entirety, which includes detailed information on the company, the offering and risk factors. Thus, providing potential investors the ability to evaluate the viability of investing in the offering, taking into consideration the associated risks. If the prospectus proves difficult to understand, the investor should consult with an authorized financial advisor prior to making any investment decision. The CMA's approval on the application should never be considered as a recommendation to subscribe in the offering of any specific company. The CMA's approval on the application merely means that the legal requirements as per the Capital Market Law and its Implementing Regulations have been met.



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Issuer

Saudi Arabian Oil Company ("**Saudi Aramco**") was originally established in the Kingdom of Saudi Arabia by virtue of Royal Decree No. M/8 dated 4/4/1409H (corresponding to 13 November 1988G) as a company wholly owned by the Government of Saudi Arabia with a fully paid share capital of sixty billion Saudi Riyals (SAR 60,000,000,000). It became a Saudi joint stock company on 14/4/1439H (corresponding to 1 January 2018G) pursuant to Council of Ministers Resolution No. 180 dated 1/4/1439H (corresponding to 19 December 2017G). Saudi Aramco is registered in the city of Dhahran under commercial registration No. 2052101150 dated 11/7/1439H (corresponding to 28 March 2018G) with its headquarters based in Dhahran.

Share Capital

SAR sixty billion (60,000,000,000), which is fully paid. Saudi Aramco's share capital will not change as a result of the offering.

Total Number of Issued Shares (as at the date of these guidelines)

Two hundred billion (200,000,000,000) shares. The number of issued Shares will not change as a result of the offering.

Offer Shares

All offer shares are ordinary shares of the same class.

Tranches of offering

Subscription to the shares is restricted to the following two groups of investors:

Tranche (A) (Institutional Subscribers): institutional subscribers comprise the institutional investors eligible to participate in the book building process, as specified under the Instructions for Book Building Process and Allocation Method in Initial Public Offerings (IPOs) issued by the Capital Market Authority ("**CMA**"), and other terms and conditions set forth in the Prospectus.

Tranche (B) (Individual Investors): individual investors comprise Saudi Arabian nationals, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any GCC national and any non-Saudi natural person who is resident in the Kingdom, in each case who has a bank account with one of the Receiving Entities. The targeted percentage of Offer Shares allocable to Individual Investors will be up to 0.5% of the Shares.

Offering Period

The book-building period for Tranche (A) will begin on 20/3/1441H (corresponding to 17 November 2019G) and will close at the end of 7/4/1441H (corresponding to 4 December 2019G). The retail offering period for Tranche (B) will begin on 20/3/1441H (corresponding to 17 November 2019G) and will close on 1/4/1441H (corresponding to 28 November 2019G).

Key IPO Dates

Expected Offering Timetable	Date
Submission of Retail Subscription Forms and Retail Offering Period	A period that will begin on 20/3/1441H (corresponding to 17 November 2019G) and will close at the end of 1/4/1441H (corresponding to 28 November 2019G)
Deadline for submission of Retail Subscription Forms and payment of the subscription monies for Individual Investors	1/4/1441H (corresponding to 28 November 2019G)
Announcement of Final Offer Price	8/4/1441H (corresponding to 5 December 2019G)
Announcement of final allocations of Offer Shares to Institutional Subscribers and Individual Investors	8/4/1441H (corresponding to 5 December 2019G)
Refund of excess subscription monies (if any) to Individual Investors	15/4/1441H (corresponding to 12 December 2019G)
Expected trading commencement date for the Shares	Trading of the Shares is expected to commence after all relevant legal requirements and procedures have been completed. An announcement of the commencement of trading of the Shares will be made on Tadawul's website (www.tadawul.com.sa).

Source: Company.

The above timetable and dates therein are indicative. Actual dates will be communicated through announcements appearing in local and international media outlets newspapers, as well as on the websites of Tadawul (www.tadawul.com.sa), the Joint Financial Advisors and the Company (www.saudiaramco.com).

Description of retail subscription process

Subscription application forms will be available during the retail offering period at all Receiving Entities' branches. Retail Subscription Forms must be completed. Individual investors who have recently participated in recent initial public offerings in the Kingdom can also subscribe through the internet, mobile applications, telephone banking or automated teller machines (ATMs) of any of the Receiving Entities branches that offer any or all such services to its customers, provided that the following requirements are satisfied: (i) the individual investor shall have a bank account at a Receiving Entity which offers such services and (ii) there should have been no changes in the personal information or data of the individual investor since such person's subscription in the last initial public offering.

Each retail investor shall specify in the Retail Subscription Form the number of Offer Shares that he/she wishes to subscribe for based on the set Retail Subscription Price (which is the highest price of the Offer Price Range announced prior to the subscription period) (for more information, please visit ipo.saudiaramco.com). It should be noted that the Final Offer Price will be set based on the book-building mechanism by the Institutional Investors.

Following the announcement of the Final Offer Price, the Selling Shareholder and the Company will, in their full discretion and in consultation with the Financial Advisors and the Joint Global Coordinators, determine allocations to all the individual investors and the institutional subscribers.

Refunding Optionality

If the Final Offer Price is set at a level lower than the top end of the Offer Price Range, then, in respect of the surplus amount of subscription (i.e. the difference between the Final Offer Price and the top end of the Offer Price Range), the individual investors will elect (1) to have any surplus subscription amount resulting from the difference between the retail subscription price and the Final Offer Price refunded in cash by crediting the account of such Individual Investor or (2) to be considered for an allotment of additional Offer Shares. To the extent an Individual Investor elects to be considered for additional Offer Shares, but such allotment is not made by the Company and the Selling Shareholder in their full discretion and in consultation with the Joint Financial Advisors/Joint Global Coordinators, the remaining surplus subscription amount will be refunded in cash by crediting the account of such individual investor, including in the case of fractional Shares, an amount with respect to such fractional shares (i.e. if there are no additional shares allocated, the remaining surplus subscription amount will be refunded by crediting the account of such Individual Investors). The investor must confirm his/her election as described in the Retail Subscription Form. The refund, if any, will take place at the latest on 15/4/1441H (corresponding to 12 December 2019G).

Final Offer Price

The final offer price of the offer shares will be determined by the Selling Shareholder, Saudi Aramco, the Joint Financial Advisors and the Joint Global Coordinators at the end of the Book-Building Period (the “**Final Offer Price**”). The Final Offer price will be announced on 8/4/1441H (corresponding to 05 December 2019G).

The Final Offer Price will be the price at which all subscribers in the offering will purchase offer shares.

Following the Book-Building Period, Saudi Aramco will publish an announcement in local and international media outlets, as well as on its website, setting out the Final Offer Price, the number of offer shares to be sold in the offering and the percentage that the offer shares to be sold represent of the outstanding shares.

Allocation of offer shares for individual investors

The Selling Shareholder and the Company shall, in their full discretion and in consultation with the Joint Financial Advisors and the Joint Global Coordinators, determine the number of Offer Shares to be allocated to individual investors. Transfer of ownership of the shares shall only be valid from the date of record in the shareholders register and commencement of trading in accordance with the applicable laws and regulations relating to the trading of shares in the Kingdom.

Minimum and maximum number of offer shares to be applied for by individual investors

Each individual investor who subscribes to the offer shares must submit a retail subscription form and must subscribe for a minimum of ten (10) offer shares calculated at the Final Offer Price per share. Increments are to be made in multiples of such minimum number. There is no maximum of offer shares to be applied for by the individual investors.

Incentive Mechanism

Each Saudi Arabian natural person, including Saudi female divorcee or widow with minor Saudi children (“**Eligible Retail Bonus Investor**”) (provided that if a Subscription Form is submitted for a Saudi Arabian national applying for himself or herself and other persons appearing on such national’s family identification card, then each Saudi family member will be considered to be an Eligible Retail Bonus Investor), who continuously and uninterruptedly holds offer shares for 180 days from (and including) the first date that the shares begin trading on the Saudi Stock Exchange (“**Tadawul**”) (the “**Bonus Holding Period**”) will be eligible to receive one share (each a “**Bonus Share**”) for every 10 allocated offer shares so held, up to a maximum of 100 Bonus Shares. The Bonus Shares will be allocated from shares owned by the selling shareholder.

The Securities Depository Center (“**Edaa**”) will transfer the Bonus Shares into the portfolio of all persons entitled thereto as soon as practicable (as determined by the Selling Shareholder in its absolute discretion), but in any event within 75 calendar days after the end of the Bonus Holding Period. The date of transfer of such Bonus Shares, once determined by the Selling Shareholder, will be announced by the Company on Tadawul’s website at the relevant time. No fractional Bonus Shares will be awarded and each Eligible Retail Bonus Investor is entitled to this incentive only once. Each of the Bonus Shares will be the same class and have all the same rights as the Offer Shares. No person will have any rights with respect to the Bonus Shares until the date such Bonus Shares are transferred into the portfolio of such person.

Any determination of whether a person is an Eligible Retail Bonus Investor and the number of Bonus Shares to which each Eligible Retail Bonus Investor is entitled will be determined by the Selling Shareholder in its full discretion.

Illustrations of “last in-first out” methodology for the Incentive Mechanism:

1. An Individual Investor is allocated 100 Offer Shares. During the Bonus Holding Period, the investor sold 100 shares and following that, bought 100 shares. What is the number of Shares eligible for the Bonus Shares award?

Answer: Zero, because the allocated Offer Shares were sold.

2. An Individual Investor is allocated 100 Offer Shares. During the Bonus Holding Period, the investor purchases 100 additional Shares and later sells 100 shares. What is the number of Shares eligible for the Bonus Shares award?

Answer: 100, because the allocated Offer Shares have remained in the account and the most recently purchased Shares are deemed to be the Shares that are sold.

3. An Individual Investor is allocated 100 Offer Shares. During the Bonus Holding Period, the investor purchases 10 additional Shares and later sells 50 Shares. What is the number of Shares eligible for the Bonus Shares award?

Answer: 60, because the most recently purchased Shares are deemed to be the first Shares that are sold, with the remaining 40 Shares that are sold reducing the number of originally allocated Offer Shares.

4. An Individual Investor is allocated 100 Offer Shares. During the Bonus Holding Period, the investor sells 50 Shares and later purchases 10 Shares. What is the number of Shares eligible for the Bonus Shares award?

Answer: 50, because the balance of Shares eligible for Bonus Shares is permanently reduced to a maximum of 50 upon the initial sale.

Receiving Entities

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