

## **Rules of Nominating Officeholders and Experts**

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## **General Provisions**

### **Article (1):**

1. The terms and expressions used herein shall have the meanings assigned thereto in Article (1) of Bankruptcy Law, issued by virtue of Royal Decree No. (M/50), dated 28/5/1439 A.H., and Article (1) of Bankruptcy Law Implementing Regulations, issued by virtue of the Council of Minister's Resolution No. (622), dated 24/12/1439 A.H., unless other specific definitions therefor are contained herein.
2. The following terms and expressions, whenever mentioned herein, shall have the meanings assigned thereto, unless the context requires otherwise:

**Nomination:** Proposing one or more of the names registered in bankruptcy officeholders' or experts' list to perform any of the tasks assigned to them in terms of the bankruptcy procedures

**Nomination Applicant:** The court, debtor, creditor, officeholder, competent authority or any stakeholder

**Nominee:** The officeholder or expert nominated by the Bankruptcy Commission from among those registered in bankruptcy officeholders' or experts' list.

### **Article (2):**

The provisions hereof shall apply to the application for nomination submitted to the Bankruptcy Commission.

### **Article (3):**

The rules stated herein aim at the following:

- a. Enhancing trust and transparency in bankruptcy procedures;
- b. Enabling Nomination Applicant to select the officeholder or expert suitable for performing the task and duty assigned thereto;
- c. Improving the quality of performance and governing officeholders' and experts' nomination, selection and appointment procedures; and
- d. Organizing the tasks assigned to the officeholders and experts, registered in bankruptcy officeholders' or experts' list, with regard to the bankruptcy procedures.

### **Article (4):**

Nominee must be registered in the bankruptcy officeholders' or experts' list.

## **Application for Nomination**

### **Article (5):**

The application for nomination must be submitted in full on the Bankruptcy Commission's website according to the form set for that purpose.

### **Article (6):**

Nomination Applicant shall designate one of the following tasks:

- a. Annotating that the proposal of the protective settlement procedure fulfills the required information and documents;
- b. Preparing a report stating that, in the officeholder's opinion, the protective settlement proposal will likely be approved by the majority of the creditors and can be implemented;
- c. Preparing a report indicating that terminating any of the debtor's contracts related to the protective settlement procedure or the small debtor's protective settlement procedure is necessary for protecting the debtor's activity, realizes the interests of the majority of the creditors and causes no serious damage to the counterparty;
- d. Acting as an officeholder for the financial restructuring procedure;
- e. Acting as an officeholder for the liquidation procedure;
- f. Acting as an officeholder for the small debtors' financial restructuring procedure;
- g. Acting as an officeholder for the small debtors' liquidation procedure;
- h. Preparing an expertise report regarding the bankruptcy procedures; and
- i. Assuming any other task to be assigned to the officeholders or experts in terms of the bankruptcy procedures.

### **Article (7):**

Any application for nomination shall include the following:

- a. Data of both the Applicant and debtor,
- b. Type of the bankruptcy procedure, and
- c. The judgement or decision ordering the commencement of the bankruptcy procedure (if any).

### **Article (8):**

The application for nomination must be attached -as the case may be- with the following:

- a. A brief overview or a copy of the proposal, in terms of the tasks set out in paragraphs (a) and (b) of Article (6) hereof;
- b. A brief overview or a copy of the proposal, information on the contract to be terminated and a statement indicating that the contract termination is necessary for protecting the activity, realizes the interests of the majority of the creditors and causes no serious damage to the counterparty, in terms of the task set out in paragraph (c) of Article (6) hereof;
- c. The information and documents to be submitted upon applying for the commencement of the bankruptcy procedure in accordance with the Rules of Information and Documents, in terms of the tasks set out in paragraphs (d), (e), (f) and (g) of Article (6) hereof;

- d. An expertise statement and description, in terms of the task set out in paragraph (h) of Article (6) hereof.

The Bankruptcy Commission shall specify the documents that must be attached in case of applying for nomination to any other task according to paragraph (i) of Article (6) hereof.

### **Nomination Criteria**

#### **Article (9):**

Upon nominating the officeholder or expert, the Bankruptcy Commission shall take the following into consideration:

- a. Type of the task and the level of complexity thereof;
- b. The officeholder's or expert's capabilities, qualifications and experience and qualifications of the team as well as their suitability for the task;
- c. The former tasks accomplished by the officeholder or expert;
- d. The current tasks assumed by the officeholder or expert;
- e. The officeholder's or expert's compliance with the provisions of the rules and regulations thereof and with all relevant laws, rules and regulations in force;
- f. Enabling those registered in the officeholders' or experts' list to get an opportunity to perform the required tasks; and
- g. The officeholder's or expert's response to the former applications for nomination and the suitability of their financial consideration.

### **Nomination Procedure**

#### **Article (10):**

1. The Bankruptcy Commission shall provide the Nomination Applicant with the names of those nominated to perform the task, and the Applicant may inform the Commission of the exclusion of any Nominee within a period not exceeding two days from the date of providing the Applicant with such names.
2. The Bankruptcy Commission shall provide each Nominee, upon the expiry of the period specified in paragraph (1) of this Article, with the necessary information regarding the task and all the attachments thereto. The Nominee shall demonstrate his willingness to accept the task performance or apologize for not being able to perform the task, giving the reasons

therefor, within a period not exceeding five days following the date of providing him with such information.

3. Upon the task acceptance, the Nominee must submit the following:
  - a. A technical proposal,
  - b. A financial proposal in accordance with the rules related to the officeholders' and experts' fees, and
  - c. Disclosure of any relationship with the debtors or creditors or any conflict of interest (if any).

### **Final Provisions**

#### **Article (11):**

The Bankruptcy Commission may -as required- request the submission of additional information or documents.

#### **Article (12):**

Nomination shall not entail any responsibility on the Bankruptcy Commission.

#### **Article (13):**

The Bankruptcy Commission shall issue the necessary decisions to implement these rules.

#### **Article (14)**

The rules stated herein shall be published in the Official Gazette and shall come into force as of the date of their publication.