

A SAFE PLACE TO INVEST

PROVIDING A SAFE PLACE FOR INVESTMENTS IS OUR MAJOR PRIORITY. THE PALESTINE EXCHANGE (PEX) HAS IMPLEMENTED A NUMBER OF BEST-QUALITY SECURITY MEASURES THAT MEET GLOBAL STANDARDS TO ENSURE INVESTOR PROTECTION.

MARKET SUPERVISION AND SURVEILLANCE

Market supervision and surveillance play a vital role in ensuring market confidence. Palestine Exchange (PEX) operates in accordance with the Securities Law No. (12) of 2004 and its bylaws - so long as they are in line with the directives of the Capital Market Authority (CMA) which has been responsible for monitoring and supervising the PEX since 2005.

The PEX also acts in accordance with its own regulations, constituting a sound foundation for the assurance of a fair trading environment. These regulations are:

- Membership Regulations
- Trading Regulations
- Listing Regulations
- Disclosure Regulations
- Dispute Resolution Regulations

The PEX supervises its member firms and other companies listed on the Exchange, ensuring compliance with all laws and regulations. To this regard, the PEX monitors the technicalities of trading activities and enforces the financial reporting and disclosure of companies listed on the Exchange. The PEX takes firm action against any party which does not comply with the rules and regulations or legislation.

CORPORATE GOVERNANCE

Listed companies must also adhere to corporate governance requirements at the PEX. The PEX continues to improve its corporate governance and transparency to strengthen investors' confidence in the market. The PEX has chosen to apply the 'comply or explain' principle. This makes it easier for investors to evaluate company practices in areas regarding equitable treatment of shareholders and their rights, such as; the establishment of independent and objective supervisory and managerial boards of directors, disclosure of corporate policies and company shareholder structure, and other initiatives that generate greater transparency and investor confidence.

DETAILED DISCLOSURE FOR LISTED COMPANIES

Companies listed on the exchange are subjected to standardized information disclosure requirements. The PEX has harmonized a set of disclosure requirements for its listed companies. All listed companies must complete financial reports every three months and disclose any information which may have a material effect on the price of their securities, immediately. Disclosure requirements are enforced in such a way that any significant event in the business of the listed company is revealed, ensuring that investors and other market participants have an equal basis upon which to make informed investment decisions. In order to ensure equal access to information for all market participants, the listed company submits its report to the

PEX prior to, or at the same time as, releasing it to the media. All companies' financial disclosures and news are available on the PEX website www.pex.ps

KNOWLEDGE - THE KEY TO SUCCESSFUL INVESTING

Informed investors drive market success. The PEX sees a great potential for its market through enhancing the knowledge and awareness of investors about the benefits of investing in securities. For this purpose, the PEX launched the **INVESTOR EDUCATION PROGRAM** in mid 2006. Through this program, the PEX provides investors and other interested parties with objective and practical information about investment, transparency in the marketplace and best practice criteria. The program aims to improve education on the benefits of investing in the securities markets and promotes a steady flow of new and returning investors to the PEX. The program also promotes the culture of disclosure and corporate governance among public shareholding companies as a pre-requisite for a fair trading environment. A wide range of PEX activities have been planned and executed in this regard, including:

- A web section dedicated to investor education, rich with valuable brochures and booklets in accessible language.
- Conferences, seminars & training programs to provide investors with an overview of securities market trends and give listed companies the opportunity to present their visions.
- An attractive web-based investment-simulation game for beginners (Stock Simulation) that helps investors learn how to trade and keeps them informed on basic financial concepts.
- A thesis competition to stimulate student involvement and interest in the PEX securities market.





Palestine of Opportunities
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For more information, please contact us at:
PALESTINE EXCHANGE

Head Office

Fourth floor, Trust building, Amman street - Nablus

Tel: +970 (or 972) 9 2390999

P.O.Box 128, Nablus - Palestine
Fax: +970 (or 972) 9 2390998

Ramallah Representative Office

First floor, Al-Jameel Center building, Al-Ersal street

Tel: +970 (or 972) 2 2403903

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