



Corporate Governance Manual

Introduction

Jordan Commercial Bank recognizes that, to maintain the integrity of the banking system as a whole and to comply with international standards for sound banking practices, it must adhere to the highest standards in the field of information and associated technology. The bank must manage resources, projects, and services in a way that allows it to conduct business and achieve its strategic objectives effectively and efficiently, in compliance with the laws and legislation issued by the regulatory authorities, as well as the application of policies, instructions and procedures issued by the Board of Directors and the Executive Management. This reflects positively on the quality of the bank's products and services and on its decision-making mechanisms.

Corporate governance is founded on several fundamental concepts, the most essential of which is the separation of Board of Directors and General Manager responsibilities (Chief Executive Officer). In addition, the Chairman of the Board of Directors must be a non-executive member, as well as the necessity for organizational and administrative structures in which tasks and powers are dispersed with complete definition and clarity. Effective control frameworks must also exist in a defined and transparent manner. It also requires treating all stakeholders with fairness, transparency, and disclosure that allows them to evaluate the bank's position and financial performance, and that the bank's Board of Directors and senior executive management possess the appropriate academic and practical qualifications, integrity, honesty, and good reputation.

Good corporate governance establishes the relationship between shareholders, the Board of Directors, the executive management, and parties related to the bank (banks, depositors, regulatory authorities), and holds the executive management accountable to the Board of Directors on the one hand, and the Board of Directors accountable to the shareholders and related parties on the other.

This manual and its corporate governance policies have been prepared by Jordan Commercial Bank as an affirmation of its own identity and to confirm the independence of the members of the Board of Directors, the non-conflict of interests, and their effective ability to choose executive management capable of managing the bank's affairs in accordance with the best local and international standards and practices in corporate governance.

Part I: Definitions, Aspects, and Importance of Corporate Governance

First: Definitions:

Non-Executive Board Member:	A member who is not a full-time managing officer or employee at the Bank and does not receive a salary from it.
Authorized Person:	A person who is authorized to access internal information by virtue of his position or function at the Bank, including the Chairman and Members of the Board of Directors, Financial Director, Internal Auditor, External Auditor, representatives of legal entities, Board Secretary and relatives of the aforementioned parties.
Cumulative Voting:	A system of voting for electing members of the Bank's Board of Directors, which allows shareholders to vote proportionately to the number of shares they hold. Each shareholder is entitled to only one vote per share. This allows a shareholder to cast all of their votes for a single candidate or divide them among several candidates.

Governance Report:	A report outlining the Bank's corporate governance applications and practices, and it is incorporated into the Annual Report of the Bank and is signed by the Chairman of the Board.
Relatives:	Father, mother, brother, sister, spouse, and offspring.
Corporate Governance	The system that governs and manages the bank, aimed at defining its institutional objectives and achieving them, managing the bank's operations securely, protecting depositors' interests, complying with due responsibility towards investment account holders, shareholders, and other stakeholders, and adhering to prevailing legislation and internal bank policies.
Stakeholders	Any party with an interest in the bank, such as depositors, investment account holders, shareholders, employees, creditors, customers, or relevant regulatory authorities.
Independent member:	A board member of the bank who is not a major shareholder, and who is not under the control of any of them, and who possesses the qualifications or financial and banking expertise as outlined in Chapter Three / Section Two (Paragraph D).
Senior Executive Management:	This includes the bank's General Manager or Regional Manager, Deputy General Manager or Deputy Regional Manager, Assistant General Manager or Assistant Regional Manager, Financial Manager, Operations Manager, Facilities Manager, Treasury (Investment) Manager, Risk Management Manager, Internal Audit Manager, Compliance Manager, in addition to any bank employee holding the same job title and possessing executive authority parallel to any of the aforementioned authorities and/or directly reporting functionally to the General Manager.
Suitability:	Individuals nominated for membership on the bank's board of directors and senior executive management must meet specific requirements for honesty, integrity, reputation, competence, and qualifications, as outlined in the corporate governance instructions.
Consulting Agreement:	The agreement or contract between the consultant and the bank, whereby temporary consulting services are provided, or under an annual contract.
External Auditor:	Includes the audit office, the partners in the audit office, and the members of the audit team.
Auditing Firm	The office through which the audit team practices the profession, registered with the Companies Control Department at the Ministry of Industry, Trade, and Supply as a civil company licensed to practice the profession in accordance with prevailing legislation.
Auditing Partner:	A licensed partner in the audit office in charge of the auditing task and the report issued on its behalf. The partner has the experience,

academic qualifications, and professional certifications required to sign the audit report.

Audit Team:

Team members conducting audit procedures under the supervision of the partner responsible for auditing; this does not include non-audit services team members outside the scope of audit services.

Second: Corporate Governance:

It is the set of relationships between the Bank's Board of Directors, the Executive Management, Shareholders, and other parties that have an interest in the bank. It defines the mechanism through which it clarifies the institution's objectives and means to achieve those goals and monitor their achievement. Therefore, sound corporate governance provides both the Board of Directors and the Executive Management with appropriate incentives to reach the goals that are of interest to the Bank, and facilitate the creation of an effective monitoring process, and thus help the Bank use its resources efficiently.

In addition, it is the system that shows the manner in which authorities are exercised and decisions are made. It is how the Bank manages its operations securely, protects the interests of depositors, adheres to the due responsibility towards shareholders and other stakeholders, as well as regulate the Bank's compliance with the internal legislation and policies of the bank.

Third: Aspects of Corporate Governance:

1. Internal factors:

Corporate Governance is represented in the effective interaction between the shareholders, the Board of Directors, the Executive Management of the bank and other relevant parties. Proper Corporate Governance facilitates the Bank's ability to define and achieve the objectives set forth by the Board of Directors and the strategies developed by Executive Management to reach those objectives.

2. External factors:

External factors include the following: -

- Compliance with laws, legislations and instructions that protect the rights of shareholders and other related parties, such as depositors and other creditors of the Bank.
- Availability of the appropriate control environment provided by the regulatory authorities.
- Availability of capital market infrastructure that increases the ability of shareholders to hold the Bank's management accountable.
- Adherence to accounting standards related to the accurate and timely presentation of financial statements, as well as setting the proper methodology of disclosure.
- The presence of a third party monitoring the Bank's performance, such as the financial market, the Central Bank, international rating agencies, professional and commercial associations, and others.
- The availability of an appropriate legal, legislative and supervisory environment that clarifies the rights of the Bank's stakeholders.

Corporate Governance requires the provision of both the internal and external environment, knowing that the availability of one does not necessarily mean the availability of the other. In both cases, the following elements are the guiding principles for achieving good institutional control:

- Fair Treatment:

Small shareholders and related parties are treated fairly, and their interests are taken into consideration.

- Transparency:

The Bank discloses to stakeholders, the financial and organizational information and the remuneration of the Executive Management in a manner that enables shareholders and depositors to evaluate the bank's performance in accordance with the instructions of the Central Bank of Jordan issued under the Banking Law. The Bank also stays up to date with changes that occur in international financial reporting practices and the scope of transparency required by institutions. The Bank is committed to providing quality information about all its activities to the supervisory authorities, shareholders, depositors, other banks, and the general public in general through various types of reports and communication tools.

- Accountability:

The Executive Management is obligated to answer any inquiry when it is held accountable by the Board of Directors regarding the implementation of plans and the implementation of the policies established by it to ensure the preservation of the Bank's assets and the soundness of its financial position.

- Responsibility:

The Bank's organizational structure, approved by the Board of Directors, defines channels of communication and limits of responsibilities. The structure of power approved by the Board of Directors also indicates and clarifies the limits of responsibility.

The Board of Directors supervises the Executive Management while the Executive Management is responsible for the Bank's day-to-day business. The Board is committed to setting clear limits of responsibility and accountability and requiring all administrative levels in the Bank to adhere to them. The BOD will ensure that the organizational structure clearly reflects the lines of responsibility and authority, so as to include several levels of control. In addition, the Board shall ensure that the Senior Executive Management undertakes its responsibilities pertaining to the management of the Bank's day-to-day operations, contributes to implementing corporate governance and delegates authorities to personnel, creates an effective administrative environment promoting accountability, and performs tasks in various business areas and activities in line with the policies and procedures approved by the Board. The Board shall adopt appropriate regulatory guidelines that enable it to hold the Senior Executive Management accountable.

Fourth: The Importance of Corporate Governance for a Bank:

1. The Jordanian banking sector, which includes the Jordan Commercial Bank, is one of the most important components of the Jordanian economy, and this sector is universally subject to regulation and auditing. It uses the government's financial security networks; therefore, it is fundamental to have a robust corporate governance system at the Bank.
2. The most important source of funds entering the bank comes from the money of others, especially depositors. In light of the intensity of competition in the Jordanian capital market, the existence of sound corporate governance in the bank will maximize the bank's share in the market.
3. In order to maintain the integrity and strength of the Bank's financial position, the members of the Board of Directors play an effective and important role in the corporate governance of the bank through their supervisory role, as well as, providing a good risk management system that allows alignment between returns and risks within the limits permitted by the Bank's position and strategy and through compliance with laws and instructions at all administrative levels.
4. Corporate Governance enhances the bank's performance by providing a mechanism to link the interests of shareholders and other relevant bodies in the Bank.

First: Board of Directors and Board Meeting Structure:

- The number of members of the Board of Directors will not be less than (11) unless the bank is owned by a single shareholder, in which case the minimum number of board members will be seven members, and not more than (13 members) with practical and professional experience and specialized skills. The chairman or any board member may not hold a board member position as well as any executive position or any other position that involves the daily management of the bank or any consultancy position in the bank.
- The number of independent members is not less than four (4).
- Members are elected according to the cumulative vote by the General Assembly of the Bank through a secret ballot.
- The Jordan Commercial Bank shall ensure diversity and skill in the expertise of the Board members, providing a wide range of insights and perspectives that align with the bank's size, nature of activities, and strategy. Board members are required to reside in the Hashemite Kingdom of Jordan on a permanent basis.
- The bank ensures that women are represented on the board and in senior management.
- The Board of Directors is responsible for creating committees that are in charge of following up and monitoring the workflow at the Bank as well as submitting subsequent reports. The Board determines the responsibilities, tasks, and powers of these committees upon their formation and establishes a special charter for each committee.
- The positions of the Chairman of the Board and the General Manager (or CEO) are not combined. The Chairman of the Board or any of the Board members or major shareholders has no relationship with the General manager, up to the third degree. The General Manager (CEO) must assume the following duties:
 - Developing the bank's strategic direction.
 - Implementing the bank's strategies and policies.
 - Implementing the decisions of the Board of Directors.
 - Provide guidance to implement short- and long-term business plans.
 - Communicating the vision, mission, and strategy of the bank to the employees.
 - Informing the Board of all important aspects of the bank's operations.
 - Managing the day-to-day operations of the bank.
 - Adoption of a detailed description of the tasks of each organizational unit (except for control departments, where their approval is required from the competent committee), to be reviewed by all bank employees according to their specialization.
- The Board of Directors holds its meetings upon a written invitation from the Chairman, or Vice President in the event of his absence, or upon a written request submitted to the Chairman of the Board of Directors by at least a quarter of its members and in the presence of most of its members. Board Members must allocate sufficient time to carry out their duties and their responsibilities, including prior preparation for Board Meetings of no less than six (6) meetings during the year. The Bank is obligated to hold a Board Meeting within a period that does not exceed two months.
- Board members may attend board and committee meetings through any means of visual telecommunication, provided that the chairman of the board and the secretary approve the minutes of the board meeting and its legal quorum. The chairman of the committee and the secretary are responsible for the minutes of the committee meeting and its legal quorum.
- The quorum for any committee meeting shall not be less than (3) members, including the committee chairman, except for the Facilities Committee. Furthermore, it is not permissible to appoint an alternate member in the absence of the original member during any committee meeting.

The Chairman of the Board shall consult with the other members and the General Manager when preparing a specific agenda of topics to be presented to the Board. The agenda will be presented to the Board of Directors and sent with relevant documents to the members in advance prior to the meeting. The meetings of the Board of Directors and the

committees emanating from it shall be recorded in official minutes that outline the actions taken and decisions made by the Board and respective Board Committees.

The minutes will be construed as legal evidence of the decisions made during the meetings by the Board of Directors and Committees to prevent the occurrence of any confusion. Accuracy is considered when writing these minutes, with precise recording of any votes that took place during the meetings and attaching any documents or referring to any documents that were referred to during the meetings and recording any reservations that were raised by any member. The Bank ensures to keep all these minutes appropriately. As for topics that are pertaining to Palestine, the Palestinian Monetary Authority must be provided with the results of the decisions of the minutes within one month from the date of the meeting.

Each Board Member selected serves 4 years in a term, with the option to renew (there is no maximum number of terms a member may serve), given that the re-appointment process is based on an assessment of the continuity of the board member's ability to perform the necessary tasks assigned and to maintain an adequate amount of objectivity in performing an assignment.

Second: Duties and Responsibilities of the Board of Directors:

In accordance with the Bank's statute, relevant laws and legislation, and the Central Bank's instructions, the Board of Directors must exercise its roles and responsibilities, which include the following:

1. The Board will define the strategic objectives of the Bank, direct the Executive Management to prepare a strategy to achieve these goals, and adopt policies, plans, and procedures to oversee and monitor the performance of the Bank.
2. The Board will select the Executive Management team that can manage the Bank's affairs efficiently and effectively.
3. The Board will supervise the higher Executive Management and follow up on its performance and ensure the safety of the Bank's financial conditions and its solvency. It shall adopt appropriate policies, plans, and procedures to supervise and control the Bank's performance.
4. The Board will adopt a policy to monitor and review the performance of the Executive Management by setting key performance indicators (KPIs) to define, measure and monitor performance and progress towards achieving corporate goals.
5. The board is responsible for ensuring that the bank's credit policy includes an assessment of the quality of corporate governance for its clients from public joint-stock companies, whereby client risks are evaluated based on strengths and weaknesses according to their level of corporate governance.
6. The Board will ensure that comprehensive policies, plans and work procedures are developed for all Bank activities, and they meet the relevant laws and regulations. Ensure that they have been circulated to all administrative levels and are reviewed regularly. Moreover, it shall monitor policy implementation and verify the validity of adopted procedures in this regard.
7. The Board shall identify the corporate values of the Bank and draw clear lines of responsibility and accountability for all the Bank's activities, adopting an organizational structure that outlines the hierarchical organization including Board committees and the Executive Management.
8. The Board shall ensure that no member of the Board or Executive Management or any of the Bank's employee obtains a personal gain at the expense of the Bank's best interests.
9. The Board shall verify the accuracy of the information provided to the regulatory authorities.
10. The board is responsible for implementing the Central Bank's requirements, as well as the requirements of other regulatory and supervisory authorities relevant to its operations, while keeping stakeholders' interests in mind. It ensures that the bank is managed in accordance with its internal policies and legislation, and that effective supervision is always available over the bank's activities, including those delegated to external entities.

11. The Board shall approve the internal regulations and instructions of the Bank, and identify the authorities, duties and means of communication among all management levels, which guarantee administrative and financial control over the Bank's activities.
12. Ensuring the independence of the external auditor initially and throughout.
13. Adoption of the tasks and responsibilities of the Compliance Management Department.
14. Ensure the Risk Management Department's independence by granting the department the necessary authority to obtain information from other bank departments and collaborate with other committees to carry out its tasks.
15. The Board shall adopt and oversee the implementation of a risk management strategy that articulates the acceptable risk appetite levels and ensures that the Bank is not exposed to high risks. It shall be familiar with the Bank's operational work environment and its associated risks, ensuring that there are risk management tools and infrastructure in place at the Bank to identify, measure, control and monitor all types of risks faced by the Bank.
16. The Board shall approve the Bank's Risk Appetite document.
17. The Board shall ensure that there are adequate and reliable management information systems (MIS) in place covering all the Bank's activities.
18. The Board shall develop a policy that includes the Bank's responsibility for environmental and social protection (Environmental and Social Policy), which includes the bank's disclosures in its annual report and/or within its sustainability report on initiatives undertaken by the Bank in this regard, including:
 - Social initiatives in environmental protection, health, and education.
 - Social initiatives to combat poverty and unemployment.
 - Encouraging micro and small-scale financing.
 - Participation in initiatives with added economic value to the community.
19. The Board shall take adequate measures to ensure a clear separation between the authorities of major shareholders and the Executive Management, employing appropriate mechanisms to limit any influences by major shareholders. The Senior Executive Management shall derive its authority solely from the Board of Directors and shall operate within the framework of the delegation granted to it by the Board.
20. The Board shall determine the banking operations that require its approval. However, in doing so, it shall seek to limit the scope of such operations so as to maintain its supervisory role. The Board shall not grant executive powers, including the power to extend credit, to a single member of the Board, including the Chairman.
21. The Board shall specify the roles of its Secretary, terminate their services, and determine their remuneration, with duties including the following:
 - Attend all Board Meetings and record all deliberations, proposals, objections, reservations and voting on draft resolutions of the Board accurately.
 - Setting the dates of Board Meetings in coordination with the Chairman.
 - Ensuring that Board Members sign meeting minutes and resolutions.
 - Following up on the implementation of Board resolutions and the discussion of topics postponed at previous meetings.
 - Keeping records and documents of Board meetings.
 - Taking the necessary measures to ensure that all resolutions to be issued by the Board are in line with the laws and regulations, including those issued by the Central Bank.
 - Preparing for the General Assembly meetings and working in cooperation with Board Committees.
 - Providing the Central Bank with a copy of the declaration of suitability signed by each Board Member.
22. Members of the Board and its committees shall communicate with the Executive Management and the Board's Secretary to facilitate the performance of the tasks assigned to them, including the outsourcing of certain tasks, as needed, at the expense of the Bank and in coordination with the Chairman. No Board member may influence the decisions of the Executive Management in any way except through deliberations that take place in the meetings of the Board or Board Committees.
23. The Board shall approve and review, at least once a year, the succession plans of the Executive Management, which set out the necessary qualifications and requirements of these positions.

24. The Board shall approve the organizational structure of the Bank, ensuring that it clearly reflects the lines of responsibility and authority, in accordance with the provisions specified in the executive management's tasks within the organizational structure.
25. The Board shall ensure that the Senior Executive Management undertakes its responsibilities in relation to the management of the Bank's day-to-day operations and that it contributes to the application of corporate governance within the Bank. It shall also ensure that the Senior Executive Management delegates powers to employees, creates an effective management environment that promotes accountability, and performs tasks in the various areas and activities in a manner consistent with the policies and procedures approved by the Board. Moreover, the Board shall adopt suitable regulatory controls that enable it to call the Executive Management to account.
26. The Board is responsible for establishing a policy to ensure the suitability of senior executive management members of the bank. This policy should specify the minimum standards, requirements, and conditions that senior executives must meet. The board should review this policy on a regular basis and implement appropriate procedures and systems to ensure that all members of senior executive management meet and maintain the suitability standards.
27. Verifying that the General Manager possesses integrity, technical competence, and banking experience.
28. The Audit Department is in charge of drafting the Internal Audit Charter and obtaining board approval based on the Audit Committee's recommendations. The Internal Audit Charter should outline the Internal Audit Department's responsibilities, authorities, and methodologies.
29. The Board shall approve the appointment of the General Manager, Chief Auditor, Risk Manager, and Compliance Manager, as well as accept their resignations or terminate their services, subject to the Central Bank's approval and the recommendation of the relevant committee. The Central Bank reserves the right to summon any bank executive and investigate the reasons for resignation or termination of services.
30. The Board shall approve the appointment of executive management, accept resignations or terminate services, and ensure the availability of the required expertise and skills, based on the Nominations and Remuneration Committee's recommendations.
31. The Board shall ensure the independence of the Compliance Department, adopt its tasks, and ensure that it continues to be staffed with sufficient and trained staff.
32. The Board shall lay out the necessary procedures ensuring that all shareholders, including non-Jordanians, exercise their rights and that they are treated in a fair and equal manner without discrimination.
33. The Board shall regulate the Bank's financial, accounting and administrative affairs in accordance with the relevant internal regulations.
34. The Board shall appoint a liaison officer to follow up on the implementation of corporate governance with the Jordan Securities Commission.
35. The Board shall approve the Bank's disclosure and transparency policy and follow up on the implementation thereof in accordance with the requirements of the regulatory authorities and applicable legislation.
36. The Board shall approve the succession policy as well as the HR and training policies at the Bank.
37. The Board shall establish a mechanism that allows shareholders who own at least 5% of the Bank's subscribed shares to add items to the agenda of the Bank's ordinary General Assembly meeting, prior to sending it, in its final form, to the shareholders. It shall provide the Jordan Securities Commission with this mechanism.
38. The Board shall approve the risk management policy to handle the risks to which the Bank may be exposed.
39. The Board shall approve the governance report and incorporate it into the Bank's annual report.
40. The Board may appoint an advisor if deemed necessary and for clear and specific justifications, provided that the advisor's tasks align with the nature of the advisor's work and do not include any supervisory or executive responsibilities. This should happen within a certain time frame and without jeopardizing the board's supervisory mission over the bank's operations in accordance with its legislative duties, which include banking regulations. This appointment requires a non-objection from the Central Bank.
41. The board must exercise due diligence when deliberating on any matters related to the bank's operations. This entails considering sound principles to reach decisions that ensure the highest professional standards are met when carrying out its duties.
42. Taking the necessary steps to improve internal auditing effectiveness by prioritizing and integrating auditing activities into the bank's overall framework. Ensure and reinforce internal auditors' independence by granting them appropriate status within the bank's organizational hierarchy and ensuring they have the necessary

knowledge, skills, and competence to perform their duties. Guaranteeing their right to access all records and information, as well as communicate with any bank administrator, so that they can complete their assigned tasks and prepare their reports without interference.

43. The Board evaluates the CEO's performance annually using the system developed by the Nomination and Remuneration Committee and approves the system, which defines key performance indicators as outlined in the Nomination and Remuneration Committee's tasks.
44. The Board shall approve the corporate governance report and its inclusion in the bank's annual report.
45. The Board shall inform the Central Bank of any significant information that may adversely affect the suitability of members of the Senior Executive Management.
46. In addition to the Board of Directors' tasks and responsibilities for Information Management and Technology, as outlined in the attached Information Technology Governance Guide.
47. Each Board Member shall, at minimum:
 - Have knowledge of the legislation and principles pertaining to the banking activities and the Bank's operational environment and keep pace with all developments therein as well as external developments related to its business, including requirements for appointment in Senior Executive Management positions.
 - Attend Board meetings and Board Committee meetings as required, as well as the General Assembly meetings.
 - Not disclose the Bank's confidential information or use such information for their own benefit or for the benefit of others.
 - Put the Bank's interest first in all dealings with any other company in which they have a personal interest; avoid exploiting the Bank's commercial business opportunities for their own benefit; avoid conflict of interest and disclose to the Board, in detail, any potential conflict of interest that may arise; and not attend, or participate in the decisions made at, a meeting discussing subjects that may involve a suspected conflict of interest. Such disclosure shall be recorded in the minutes of the Board meeting; and
 - Devote sufficient time to perform their duties as a Board member.

Third: Role of the Chairman of the Board

The Chairman of the Board shall undertake the following responsibilities, as a minimum requirement:

1. Build a constructive relationship between the Board and the Executive Management.
2. During Board Meetings, encourage member to express their opinions on issues discussed in general and those with opposing viewpoints, encourage discussions, and voting on such issues.
3. Deliberate on strategic and important issues extensively during Board meetings.
4. Ensure that the Bank upholds high corporate governance standards.
5. Make sure that all Board Members receive and sign minutes of previous meetings as well as receive detailed meeting agendas and any additional information about the topics that will be discussed during the Board meetings prior to the meeting through the Board's secretary.
6. Ensure that there is a charter that describes and organizes the work of the Board.
7. Ensure that each Board member is provided, upon election, with the relevant banking laws, the Central Bank instructions related to the Board's functions, and the corporate governance instructions for banks in addition to a booklet describing the rights, responsibilities and duties of Board members as well as the tasks and duties of the Board's Secretary.
8. Ensure that each Board member is provided with sufficient information about the Bank's business upon appointment or at request.
9. Hold discussions with any new member with the assistance of the legal advisor / head of legal department and the bank secretary regarding the Board's duties, especially concerning legal and regulatory requirements to clarify the tasks, authorities, and other matters related to membership, including the tenure, meeting schedules, committee duties, remuneration, and the possibility of obtaining independent specialized technical advice when necessary.
10. Send an invitation to the Central Bank to attend General Assembly Meetings, with sufficient advance notice to appoint a representative.

11. Provide the Central Bank with the minutes of the General Assembly Meetings within a period not exceeding five business days from the date of approval by the company's auditor or their representative.
12. Ensure that the Central Bank is informed of any significant information that may adversely affect the suitability of Board Members as well as the suitability of the legal representative.
13. Make sure that Board Members receive ongoing training and development, and that new Board Members are provided with an Orientation Program that considers their banking knowledge. This program should consider the member's banking background and cover, at minimum, the following topics:
 - The bank's organizational structure, corporate governance, and code of professional conduct.
 - Corporate objectives, the bank's strategic plan, and its adopted policies.
 - The financial status of the bank.
 - The bank's risk structure and its risk management framework.

Fourth: Executive Management Responsibilities:

- Implementing and managing the bank's activities in accordance with the board's approved strategies/policies, as well as the systems, risk management, operations, and controls necessary to manage all types of risks the bank is exposed to, ensuring that they do not exceed the Board's acceptable and approved risk levels, and complying with all applicable legislation and internal bank policies.
- Verifying the existence of comprehensive work procedures for all bank activities that are consistent with applicable legislation and board-approved strategies/policies, with these procedures endorsed by the General Manager or Regional Manager of the bank's foreign branch (except for regulatory departments, which require endorsement from the relevant committee), and ensuring their implementation.
- Preparation of financial statements.
- Preparing the bank's overall organizational structure and obtaining board approval, as well as preparing sub-organizational structures for all operational units and obtaining General or Regional manager approval. This excludes sub-organizational structures specific to local bank supervisory departments, which are approved by the board based on the relevant committee's recommendations. These structures should clearly define the administrative hierarchy and reflect lines of responsibility and authority in a detailed and transparent way. At a minimum, the overall organizational structure should include:
 - The board and its committees.
 - The executive management and its committees.
 - Separate departments for risk management, compliance, internal audit, and internal Shariah audit in a manner that enables them to perform their duties independently, including refraining from engaging in executive functions, and ensuring they have a direct reporting line to the relevant committee and an indirect reporting line to the CEO.
 - Units that do not participate in executive activities, such as credit review staff and the middle office.
 - Subsidiaries and external branches (if any).
- Prepare an annual budget and have it approved by the Board and submit periodic performance reports to the Board showing deviations in actual performance from the estimated and the reasons behind them.

- Refrain from engaging in any practices that may affect the independence and objectivity of the supervisory departments, as cooperation between these departments and various bank units and the executive management is required to carry out their responsibilities. They must inform senior executive management of any significant issues requiring immediate action for resolution once identified by any of these departments. However, this does not prevent these departments from informing the relevant committee about such issues.
- Provide the regulatory authority, external auditing, internal auditing, and any relevant entities, within their specified timeframes, with the necessary information and disclosures required to perform their duties effectively.
- Ensure that appropriate control measures exist for each activity or process and keep approval and execution procedures separate on an administrative and operational level.

Fifth: Shareholders and Their Role in Corporate Governance

Legal sovereignty and supreme authority are vested in the shareholders who convene through the General Assembly to review and deliberate on the Bank's matters. It should be noted that the interest of shareholders is not limited to just monitoring the prices of shares and receiving dividends, but it goes beyond that to monitoring the Bank's performance through financial statements and continuously communicate with the Bank's Management to stay abreast of the latest developments. Shareholders also attend General Assembly meetings, participate in voting on decisions, and discuss all aspects of the Bank's business and outcomes with Board members. Moreover, shareholders play a key supervisory role in monitoring the performance of Board Members and in obtaining the information that enables them to exercise their rights to the fullest.

Sixth: Stakeholder Rights

- The Board shall develop a specific mechanism to guarantee communication with stakeholders by disclosing and providing relevant information to stakeholders about the Bank's activities through:
 1. General Assembly meetings
 2. Annual Report
 3. Quarterly reports containing financial information in addition to the Board's report on the Bank's stock trading and financial position during the year
 4. The Bank's website
 5. Shareholder Relations Division
- The Bank shall ensure that a part of the Bank's website is designated to clarify shareholders' rights and encourage shareholders to attend and vote at the General Assembly meetings. Also, information on General Assembly meetings, including the full text of the invitation and meeting minutes shall be published on the website in a manner that does not conflict with the law or regulations of banking confidentiality.
- Ensure that stakeholders receive timely financial and non-financial information.
- Ensure that the bank's annual report includes a statement indicating the Board's responsibility for the accuracy and sufficiency of the bank's financial data and the information contained in that report, as well as the sufficiency of internal control and oversight systems.

Part III: Suitability, Qualifications and Evaluation of Board Members

First: Suitability

The Board and Nominations and Remuneration Committee shall be responsible for ensuring that the Board Members and Senior Executive Management exhibit the highest level of credibility, integrity, competence, qualifications, and expertise and that they can devote sufficient time and commitment to serving the Bank effectively in line with the Jordan Commercial Bank's Suitability Policy, which outlines the conditions that must be met by each of them.

The Senior Executive Management includes the Bank's General Manager, Regional Manager, Deputy General Manager, Deputy Regional Manager, Assistant General Manager or the Assistant Regional Manager, Chief Financial Officer, Operations Manager, Facilities Manager, Treasury (Investment) Manager, Risk Manager, Internal Audit Manager, and Compliance Manager. It also includes any Bank employee possessing an executive authority corresponding to the authorities of any of the aforementioned persons and directly reporting to the General Manager.

Second: Qualifications of Board Members

The Chairman and every member of the Board must meet certain requirements in terms of professional experience, personal traits and solvency as well as have the following expertise, qualifications and competencies:

A. Experience and Qualifications:

- Independent judgment and ability to participate in taking sound decisions.
- Knowledge of financial statements and acceptable understanding of financial percentages used in measuring performance.
- Reasonable expertise or skills in the areas of accounting, finance, banking or any other banking expertise.
- Commitment to learning the Bank's operations, fulfilling contribution requirements and dedicating sufficient time and effort to serving the Bank.
- Readiness to resign from the Board of Directors in case of any change in professional responsibilities.
- Understanding and knowledge of the best international practices in the area of management and their applications to the rapidly evolving business environments.
- Short- and long-term crisis management abilities.
- Knowledge of global markets.
- Ability to provide strategic direction and demonstrate clear futuristic vision.

B. Board Membership Requirements

The Board of Directors adopts a suitable policy that includes the criteria, requirements, and conditions that must be met by the candidate member. The policy is reviewed whenever necessary, within adequate procedures and systems to ensure that members meet the suitability criteria and continue to do so. Those who hold the position of Chairman or member of the Bank's Board of Directors must meet the following conditions:

- Is not less than 25 years of age.
- Is not a Board Member, General Manager, Regional Manager, or employee of another bank inside Jordan unless it is a subsidiary of the Bank.
- Is not a lawyer, legal counsel or auditor of the Bank, or a consultant for any other Bank inside Jordan.
- Has a minimum of a University Degree in Economics, Finance, Accounting, Business Administration, or other relevant fields. The Nominations and Remuneration Committee may consider adding other specializations (such as Law and Information Technology) if combined with relevant banking experience, or activities related to it, in a manner that considers diversity of skills and experiences, providing a wide range of insights and perspectives that align with the bank's size, nature of business, and strategy.

- Is not an employee of the government or any public institution unless he/she is a representative of the institution.
- Has a minimum of five years of experience in banking, finance, economics, or other fields related to banking activities.
- Not to have any relationship, including up to the third degree of kinship with the Bank's General Manager, and up to the first degree with any other member of the Senior Executive Management.

C. **Diligence and Loyalty**

Members of the Bank's Board of Directors shall undertake their responsibilities in a diligent and loyal manner, as follows:

1. Honesty

The Board member's relationship with the Bank shall be one based on honesty, whereby that member, like any other Bank employee, shall communicate any relevant information prior to conducting any deal or commercial transaction with the Bank.

2. Loyalty

In the case of a conflict of interest between a Board Member dealing with the Bank and the Bank itself, the Board Member shall be required to fulfill the same requirements that he/she would have been required to fulfill if he/she had no relationship with the Bank. To that end, the Board Member shall undertake his/her role honestly, be mindful of the Bank's interests, avoid conflict of interest, and refrain from abusing his/her position or using any information accessible to him/her as a Board member for personal gain. The Board member shall advise the Board of any potential conflict of interest and refrain from voting on any resolutions related to this subject.

3. Diligence

Board members shall perform all the duties stipulated in the applicable laws and regulations and seek to obtain all necessary information to ensure that all decisions taken are in the interest of the Bank.

To fulfill the desired level of diligence, Board members must be knowledgeable of and familiar with the Bank's activities as well as the markets and sectors it serves. They shall attend Board meetings and properly prepare for them beforehand, especially in relation to the decisions to be taken, as well as honestly undertake assigned duties. Moreover, they shall look for any warning indicators, follow up on important matters with the Bank's Management, obtain objective advice when necessary, and comply with the provisions of various laws pertaining to the Bank.

D. Independence

1. The Board must exercise effective leadership that is independent of the Bank's Management, as there are no executive members within the board. The number of independent Board Members shall not be less than four (4).

The most significant relationships that may affect a member's independence in the Bank is the existence of conflict between memberships in different boards of directors, an advisory relationship with entities related to the Bank, a direct or indirect business relationship between the member and the Bank, or the forging of any new relationship with the Bank that has been created and developed as a result of that person's membership on the Board.

2. To guarantee a Board Member's independence, he/she shall regularly disclose in writing any personal interest that may exist in any transaction or contract with the Bank for himself/herself, his/her spouse or relative up to the third degree if any of the aforementioned persons has an influential stake in a company to which such transaction or contract is related. No Board Member may participate in any meeting where said transaction or contract is discussed. The impact of other activities on that person's independence as a member of the Bank's Board shall be assessed.

An independent member is defined as a member of the bank's board of directors who is not a major shareholder, is not under the control of any major shareholder, and possesses the following qualifications or experience in finance or banking:

1. To be a natural person.
2. The Board Member has not been an employee of the Bank, or any subsidiary, or a consultant for the Bank or any of its subsidiaries in the past three years preceding his/her election.
3. The Board Member is not related, up to the second degree, to any other Board Member or a member of the board of directors of any subsidiary of the Bank, or to any major shareholder of the Bank.
4. The Board Member is not related, up to the second degree, to any member of the Bank's Executive Management or the executive management of any of its subsidiaries.
5. Not to be a partner or employee of the bank's external auditor and not to have been a partner or employee during the three years preceding his nomination.
6. The Board Member is not a major shareholder, or a representative or an affiliate of a major shareholder of the Bank, or his involvement with an allied contribution constitutes the amount of contribution of a major shareholder and is not a major shareholder in the Bank's group of owners.
7. Not to have served as a member of the Bank's Board of Directors or any of its subsidiaries, or as a member of their Board of Directors, for more than eight consecutive years. If any independent member loses their independence for this reason, the bank, after the member's departure and for a period of at least four years (Cooling-off Period), if there are sufficient justifications, may apply to the Central Bank for Non-Objection to consider him as an independent member.
8. Not to be, nor their spouse, a first-degree relative of the candidate, or a member of the Board of Directors, owner, major shareholder, or a Senior Executive in a company where the credit granted by the Bank to them exceeds (5%) of the Bank's regulatory capital. Also, not to act as a guarantor for credit from the Bank exceeding the same percentage. The Central Bank may consider certain cases related to individuals who are candidates and have memberships in public joint-stock companies.
9. The Board Member, or any of his/her relatives, must not have a direct or indirect interest in the contracts, projects and engagements made with the Bank, or any sister or affiliate company thereof, and whose value equals or exceeds JD 50,000 (fifty thousand Jordanian Dinars).
10. The Board Member must not own 5% or more of the Bank's subscribed shares, or of any sister or affiliate company thereof.
11. The Board Member must not be a relative of any of the Bank's shareholders who own 5% or more of the Bank's subscribed shares.

12. The Board Member possesses extensive experience and qualifications in finance or banking.

E. Knowledge

Board Members shall be knowledgeable of banking operations, risks to which the Bank may be exposed, and financial statements reflecting the Bank's financial position. In addition, they shall be familiar with the laws, legislation and instructions with which the Bank must comply, stay abreast of new developments in the financial services sector, attend Board Meetings and Board Committee Meetings, and review the reports and recommendations presented by the Bank's Executive Management, internal auditor, external auditor and regulatory authorities.

F. Code of Professional Conduct

- The executive management prepares the bank's Code of Professional Conduct, which is approved by the Board and disseminated to all managers in the Bank. They also develop the skills and professional behavior of the Bank's employees to align with the latest ethical standards and professional codes of conduct.
- The Board has approved and issued a Code of Professional Conduct, which the Senior Executive Management circulates at all administrative levels and ensures that the Bank's personnel adhere to the contents thereof. This includes, for example but not limited to, a ban on the use of inside information by executive officers for personal gains; rules and procedures regulating transactions with relevant related parties; and situations that may give rise to a conflict of interest.
- The Board of Directors adopts a Code of Professional Conduct to ensure the bank conducts its business with the highest integrity, including at a minimum, cases that may result in conflicts of interest, and ensures it has been disseminated to all levels of management in the bank.
- The Board is committed to ensuring that the Senior Executive Management exercises its functions with the highest integrity, avoids conflicts of interest, and implements policies and procedures objectively.
- The Board is committed to adopting controls for the transfer of information between different departments, preventing its exploitation for personal gain.

Third: Evaluation of Executive Officers' Performance:

1. The Board has devised a system to evaluate its performance and the performance of its members. This system includes the following:
 - Setting specific objectives and defining the role of the Board in achieving these objectives in a measurable way.
 - Setting KPIs that may be derived from strategic plans and objectives and using them to measure the performance of the Board.
 - Ensuring regular communication between the Board and shareholders.
 - Holding regular meetings between the Board and the Senior Executive Management.
 - Reviewing the role of a Board Member in Board meetings and comparing his/her performance to other members. Feedback shall be obtained from the concerned Board Member to improve the evaluation process.
 - The extent of the member's development of knowledge in banking operations through participation in training programs.

2. The Board shall approve a system for measuring the performance of the Bank's Executive Management. This system shall include the following:
 - Giving appropriate weighted measures of performance in abiding by the risk management framework and implementation of internal controls and regulatory requirements.
 - Not to consider total income or profit as the sole measure of performance, but to take into account other elements to measure the performance of Senior Executives, such as the risks associated with core operations, the achievement of each department's objectives and its annual plans, as well as measuring customer satisfaction and others wherever applicable.
 - The Bank must obtain the approval of the Board when appointing/transferring/promoting/assigning or accepting the resignation or terminating the services of any of the Senior Executive Management members in the Bank.

Fourth: Remuneration and Compensation for Board Members

The Bank's regulations shall determine the way by which Board Members are remunerated. Such remuneration and compensation shall be in the form of meeting attendance allowance, transportation allowance, in-kind benefits, and specific percentage of profits, and as set forth in the Board Member Suitability Policy approved by the Bank.

Part IV: Control Systems

First: Selection of Management Members and Their Oversight Role:

1. Selection of Management

The Board of Directors shall approve the appointment of a General Manager for the Bank or any of the members of the Bank's Senior Executive Management, provided that the following requirements are fulfilled (bearing in mind that the Central Bank shall be entitled to object to such appointment):

- Must be of good conduct and reputation.
- Must not be a member of the board of directors of any other bank unless it is a subsidiary of the Bank.
- Must be fully dedicated to managing the Bank's activities.
- Must exhibit the banking expertise and competency required to carry out the Bank's activities.
- Has a minimum of a University Degree in Economics, Finance, Accounting, Business Administration or relevant fields.
- Has at least five years of experience in banking or similar fields (most of which are in the field the job application is for). The General Manager and Regional Manager must possess at least 10 years of banking experience.
- Not to be a major shareholder and not to have any connection with the Chairman of the Board, any member of the Board, or any major shareholder in the bank, including kinship up to the third degree in the case of the General Manager and up to the first degree in the case of any other senior executive management member.

Other requirements stipulated in the Executive Management Suitability Policy shall be observed.

2. Management's Oversight Role

The Bank's Executive Management, through different departments and divisions of the Bank, shall furnish the Board of Directors with periodical reports, information and data, as needed, to ensure that the Board performs its oversight role on the Bank's operations and evaluates current and potential risks so as to manage them in an efficient and effective manner.

3. External Communications

The Board shall provide related parties with accurate and timely information to enable them to monitor the Board and Executive Management and hold them accountable for the way of managing the Bank's assets. This shall be done through the reports requested by the Central Bank and the periodic financial reports issued to shareholders and through the disclosure of the following in accordance with the applicable Disclosure Policy:

1. Names of the members of the Board of Directors and Executive Management
2. Organizational Structure and Corporate Governance Manual
3. Incentives and remuneration of members of the Board and Executive Management
4. Nature and size of operations with affiliate companies and related entities
5. Key risks facing the Bank and its Risk Management Policy

4. Planning

The Board of Directors is assigned important duties, particularly the mapping of the Bank's general strategies and approval of work policies. This is done through participation in and approval of long-term strategic plans, annual work plan, and estimated budgets. Accordingly, the Board shall undertake the following:

- Provide a planning mechanism and appropriate work plans and ensure that these are properly implemented and monitor their outcomes.
- Measure the achievement of the Bank's goals and objectives by developing its systems.
- Identify the Bank's strengths, weaknesses and opportunities as well as the threats facing it.
- Ensure the availability of a competent management team.
- Verify the Management's compliance with capital adequacy ratios, liquidity ratios and availability of sources of funds, including capital, in a manner that ensures the achievement of the Bank's planned goals and objectives.

5. Policies

Since the Board of Directors is the primary body responsible for managing the risks to which the Bank may be exposed, the Bank maintains the policies mentioned below, which cover all the Bank's activities. The Executive Management ensures that these policies are in place, reviews them periodically and works on issuing unavailable policies:

- a) Credit Policy
- b) Investment Policy
- c) Fund Sources Management/Asset and Liabilities Management Policy
- d) Code of Business Conduct adopted by the Jordan Commercial Bank
- e) Personnel Affairs Policy
- f) Other policies:
 - Risk Management Policy/s
 - Compliance Control Policy
 - Anti-Money Laundering and Terrorism Financing Policy
 - Policy on Compliance with the requirements of the Foreign Account Tax Compliance Act (FATCA)
 - Policy on Fair and Transparent Dealing with Customers

And other approved policies.

Second: Internal Control Systems

The Board shall monitor the work of Senior Executive Management with the aim of verifying the effectiveness and efficiency of operations, credibility of financial reports and compliance with applicable laws, legislation and instructions. The Senior Management shall implement the following fundamental principles of internal control systems:

- Providing a regulatory environment reflected by the existence of an organizational structure that clearly outlines communication and responsibility channels.
- Establishing an independent department for risk management, supported by a risk management policy for identifying and assessing the risks to which the Bank may be exposed and determining the economic capital required to address such risks.
- Providing controls and a mechanism for the separation of responsibilities, including the separation of the responsibilities of "risk-takers" and "risk controllers".
- Observing the principle of dual control when developing regulatory controls.
- Setting work procedures allowing decision makers to have timely access to information so as to expedite activation of the contingency plan, where necessary.
- Revisiting the internal control system approved by the Board of Directors periodically by both the internal auditor and external auditor to assess its efficiency and ensure that it is in accord with applicable laws, regulations, and directives.
- Observing the independence of Risks, Internal Audit and Compliance departments and divisions.
- Providing financial and accounting systems that can demonstrate the actual financial position of the Bank and provide the information necessary for sound decision-making in a manner enabling the preparation of periodic and annual financial statements and in accord with International Financial Reporting Standards (IFRS).
- Ensuring efficiency and integrity in relation to the IT management by devising effective internal controls.
- Providing the necessary security, safety, and protection requirements for the Bank.

The following are the key themes of administrative control:

1. Internal Audit

Internal audit is an important source of information and assists the Bank's Management in identifying and efficiently managing risks.

A. The Audit Department undertakes, at minimum, the following responsibilities:

- Verifying the availability of, and compliance with, adequate internal control systems at the level of the Bank and its subsidiaries.
- Verifying compliance with the Bank's internal policies, international standards and relevant legislation.
- Auditing financial and administrative matters to ensure accurate, reliable and timely financial and administrative information.
- Reviewing compliance with the Corporate Governance Manual, and annually reviewing the policies and charters related to it, preparing a separate report, and submitting it to the Audit Committee and provide a copy to the Corporate Governance Committee.
- Developing the internal audit charter and obtaining its approval from the Board based on the recommendation of the Audit Committee, specifying the internal audit department's duties, authorities, and work methodology.
- Developing an audit plan covering the bank's activities, including those of other oversight departments and activities outsourced to external parties, based on the risk level of these activities, and obtaining approval from the Audit Committee.
- Auditing financial and administrative matters.

- Monitoring violations and observations in reports from the oversight body and the external auditor, ensuring they are addressed, and verifying the presence of appropriate controls by the executive management to prevent their recurrence.
 - Ensuring the availability of necessary procedures for receiving, processing, and retaining bank customer complaints, as well as observations related to the accounting system, internal control, audit operations, and submitting periodic reports on them.
 - Maintaining audit reports and documents for an agreed upon period in accordance with the applicable legislation, in an organized and secure manner, and making them available for review by the oversight body and the external auditor.
 - Reviewing the soundness and comprehensiveness of the stress testing scenarios in line with the methodologies adopted by the Board.
 - Verifying the accuracy of the procedures adopted for the internal capital adequacy assessment process (ICAAP).
- B. The Board commits to place the internal audit department under the direct supervision of the Audit Committee and submit its reports directly to the Audit Committee with a copy to the General Manager. The General Manager, with the consent of the Audit Committee Chairman may allocate assurance or advisory responsibilities to the internal audit department, as long as this assignment does not jeopardize the department's independence.
- C. The Board shall ensure and promote the independence of internal auditors and that internal auditors are well-positioned in the Bank's organizational structure and that they are qualified to carry out their tasks. The Board shall also ensure that internal auditors have the right to access all records and information and contact any employee of the Bank to properly carry out their tasks and prepare their reports without external interference.
- D. The Board shall take the necessary measures to enhance the effectiveness of the internal audit by recognizing the importance of the audit process and following up on the correction of audit notes.
- E. The Internal Audit Department shall be subject to direct supervision by the Audit Committee where:
- It shall report directly to the Board's Audit Committee.
 - The internal auditor and Audit Committee shall review the reports prepared by the external auditor and the Central Bank and follow up on the measures taken in relation thereto.
 - Both the internal auditor and external auditor shall cooperate and deliberate to enhance the efficiency of internal controls.
- F. The Bank shall not assign any executive tasks or responsibilities to internal auditing personnel.
- G. Internal audit assignments are prioritized on risk assessment.
- H. It shall be responsible for reviewing the Bank's financial reporting, ensuring that significant financial, administrative, and operating information is accurate, reliable, and timely.
- I. It shall ensure the commitment to the implementation of all the Bank's internal policies, directives and procedures issued by the regulatory authorities, as well as procedures and laws.
- J. Conduct at least one annual review to ensure that all transactions involving related parties are in conformity with applicable laws, the bank's internal policies, and established procedures. The internal audit department should submit its reports and recommendations on this matter to the Audit Committee, which will notify the Central Bank immediately if any applicable laws or internal regulations are violated.
- K. The performance of internal audit department employees is evaluated by the Internal Audit Manager in line with the performance evaluation policy adopted by the board.

2. External Audit

- The Bank has an external audit policy approved by the Board, which is revised as needed. The policy includes, at a minimum, the following:
 - The mechanism for nominating and appointing the auditing office.
 - The mechanism for determining the fees of the auditing office.
 - Periodic rotation of the auditing office and teams.
 - Requirements for the independence of the external auditor as stipulated in paragraph (d) of this article at a minimum.
 - The tasks of the auditing office and team.
 - The relationship of the Auditing Committee with the auditing office and team.
 - Additional services beyond the scope of auditing services that the auditing office can be tasked with.

- Criteria for selecting the auditing office and the responsible partner.
- The General Assembly shall elect an external auditor that is licensed to perform external audits in accordance with approved international audit standards, professional standards and principles, and applicable legislation.
- The external auditor shall furnish the Internal Audit Committee with a copy of its report and shall meet with the said Committee at least once a year, without the presence of the Executive Management.
- The external auditor shall attend the Bank's General Assembly meetings.
- The external auditor shall audit the Bank's accounts as per international standards and recognized professional rules, and examine the Bank's administrative, financial, and internal control systems to ensure efficiency of the same as well as the credibility and fairness of financial statements issued by the Bank's accounting and information systems. The external auditor shall also report any breaches of the law or any financial or administrative matters that may negatively impact on the Bank's position to the competent authorities.
- The bank is committed to regular rotation of the external auditor every seven years at most, and the external auditor shall not be changed during the contract period except after obtaining the Central Bank's approval and based on substantial reasons.
- The former firm cannot be re-elected for at least three years after its previous election by the bank.
- The Audit Committee shall verify the independence of the external auditor on an annual basis.
- Upon the appointment of the external auditor, the Bank shall make sure that it is not a founder, shareholder, member of the Board of Directors, or a partner of, or an employee working for, any Board member.
- The external auditor cannot be a partner with any members of the bank's board/senior executive management or any members of the board of directors/board of trustees or any members of the senior executive management of any of the bank's subsidiaries.
- There should be no relationship up to the second degree of kinship between the responsible partner or any member of the audit team and any member of the board, any member of the board of trustees, any member of the senior executive management of the bank, or any of its subsidiaries.
- The external auditor is not allowed to own, deal in, or speculate in the shares of the bank or any of its subsidiaries, directly or indirectly.
- The external auditor is not allowed to combine audit work on the bank's accounts with any additional services outside the scope of audit services assigned by the firm.
- Upon the appointment of the external auditor, the Bank shall make sure that the former is registered with the Jordan Securities Commission.
- The external auditor is not allowed to work permanently in any technical, administrative, or consulting capacity at the bank or any of its subsidiaries during the audit engagement.
- Upon the appointment of the external auditor, the Bank shall make sure that the former acts independently as per international audit standards.
- The Bank shall ensure that the assigned auditor performs its duties in an impartial manner without any intervention by the Board or the Senior Executive Management.
- The Bank shall not appoint any employee of the external auditor's firm at the Bank's Senior Executive Management, until after one year at least has elapsed from the date of ceasing to conduct any audit works for the Bank.
- The external auditor shall perform the tasks assigned in an independent and impartial manner.
- The external auditor shall examine the Bank's administrative and financial systems as well as internal control systems, expressing an opinion on their efficiency and verifying that they are suitable for safeguarding the Bank's funds and ensure seamless operations.
- The external auditor shall verify the Bank's ownership of assets and the legality of the Bank's obligations.
- The external auditor shall attend the Bank's General Assembly meetings.
- The external auditor shall respond to shareholders' questions and queries in respect of financial statements and final accounts during the General Assembly meetings.
- The external auditor shall express an opinion regarding the fairness of the Bank's financial statements and request amendment should their fairness be compromised.
- The external auditor shall report any breaches of the applicable legislation or any financial or administrative matters that may negatively impact the Bank's position to the competent authorities.
- The Central Bank may meet with the external auditor for supervisory purposes and, if necessary, review the audit work documents.

- The Board shall take appropriate action to address any weaknesses in the internal control and oversight systems, or any other points raised by the external auditor.

3. Risk Management

The Risk Management Department shall undertake the following roles and responsibilities:

1. Submit its reports to the Board through the Risk Management Committee and provide a copy to the General Manager, including information about the actual risk profile of all bank activities compared to the risk appetite document. Monitor the rectification of negative deviations, and the executive management may request special reports as needed from the bank's risk management.
2. Develop a risk management policy/policies covering all bank operations, establishing clear scales and limits for each type of risk. Ensure that all employees, according to their managerial level, are fully aware of and familiar with these policies, with regular reviews. The risk management policy/policies must be approved by the Board.
3. Prepare a comprehensive document outlining all accepted risks for the bank and have it approved by the Board.
4. Develop a business continuity plan and have it approved by the Board, subject to regular review.
5. Ensure, before launching/introducing any new product/service/process/system, that it aligns with the bank's strategy, and that all associated risks, including operational risks, information security, and cyber risks, have been identified. Ensure that new control measures and procedures or modifications to existing ones are in line with the bank's acceptable risk limits.
6. It shall review and analyze all types of risks that the Bank may face including credit, market, liquidity and operational risks.
7. It shall develop measurement and control methodologies for each type of risks.
8. It shall set the Risk Appetite in coordination with the Bank's relevant entities as approved by the Board, submit reports and document exceptions to such Risk Appetite to the Board, and follow up on the rectification of negative deviations.
9. It shall provide the Board and Senior Executive Management with information about risk measurement and the Bank's risk profile and follow up on the correction of deviations.
10. It shall provide the necessary information on the Bank's risks for use in the Bank's disclosures and publications.
11. Some committees of the Executive Management, such as Credit Committee, Assets and Liabilities Management Committee, Treasury Committee, and Investment Committee, shall assist the Risk Management Department in performing its duties as per the authorities designated to said Committees.
12. The Department shall monitor the compliance by various Executive Departments with the approved levels of Risk Appetite.
13. The Board shall ensure that excesses over acceptable Risk Appetite levels are addressed, including, for example, questioning the Senior Executive Management about such excesses.
14. The Board shall ensure that the Risk Management Department conducts stress tests periodically to measure the bank's ability to withstand shocks and confront high risks. The Board shall play a key role in approving the assumptions and scenarios used, discussing the test results, and approving the necessary actions based on these results.
15. The Bank shall adopt a methodology for internal assessment of capital adequacy. The said methodology shall be comprehensive, efficient, and able to identify all risks that the Bank may face. It shall take into consideration the Bank's strategic plan and capital plan. The Board shall revise the methodology regularly and ensure that it is duly implemented and that the Bank has adequate capital to face any risks.
16. Before approving any expansion of the Bank's activities, the Board shall consider the risks resulting from such expansion as well as the competencies and qualifications of Risk Management Department's employees.
17. The Board shall ensure the independence of the Risk Management Department by having it report to the Risk Management Committee and that it is granted the necessary powers to access information from the various departments at the Bank and cooperate with other committees to perform its tasks.
18. The Department shall review the risk management framework before being approved by the Board.

19. The Department shall implement the risk management strategy and develop policies and work procedures to manage all types of risks.
20. The Department shall verify the compatibility of the risk measurement mechanisms with the management information systems used.
21. Recommendations are presented to the Risk Management Committee on risk exposure and any exceptions to the risk management policy.
22. The Risk Management Department shall be directly responsible for ensuring the "prudent management of IT risks" and the "risk management" processes.

4. Compliance

- The Compliance and AML Department has been established at the Bank. It reports directly to the Board and Board Committees and maintains direct contact with the General Manager. The department has been provided with trained personnel. It shall devise an effective methodology to ensure the Bank's compliance with all applicable laws and regulations and any relevant instructions and manuals, as well as the tasks, authorities, and responsibilities of the Compliance Department. The said methodology shall be circulated within the Bank to all personnel and the Board commits to adopting the following tasks for the Compliance Department:
 - Prepare a compliance policy to ensure the bank's compliance with all relevant legislation, ensuring that all employees, according to their administrative level, are fully aware and informed of it, and this policy should be approved by the Board.
 - Develop an annual compliance plan, to be approved by the Compliance Committee.
 - Monitor the compliance of all levels of management in the bank with all applicable regulatory and legislative requirements, as well as international standards, including the recommendations of the Financial Action Task Force.
 - Prepare regular reports that include an assessment of non-compliance risks, violations, deficiencies, and corrective actions taken, and submit them to the Compliance Committee, with copies to the General Manager.

Part V: Board Committees

- The council forms committees from among its members, and adopts a charter for each committee, which includes at least the composition of the committee, its tasks, authorities, the frequency and quorum of its meetings, the appointment of a secretary for each committee, and specifying their tasks including documenting all discussions, proposals, objections, and reservations, as well as how to vote on committee resolutions accurately. These committees also submit periodic reports to the council, and the existence of these committees does not exempt the council as a whole from bearing its responsibilities.
- Any member of the council is prohibited from being the chairperson of more than one committee from the committees mentioned in the institutional governance instructions (Corporate Governance Committee/Audit Committee/Nominations and Remuneration Committee/Risk Management Committee/Compliance Committee). Additionally, they are prohibited from being the chairperson of more than two committees from all the committees emanating from the council.

- The council forms the following committees at a minimum, whereby any member of the council is prohibited from being the chairperson of more than one committee from the committees listed below, and they are also prohibited from being the chairperson of more than two committees from all the committees emanating from the council. Furthermore, it is prohibited to delegate any authorities of any committee emanating from the council to any other authority. Additionally, the bank is prohibited from forming any committee with executive powers except for the Facilities Committee:

First: Corporate Governance Committee

The Committee is comprised of three members, the majority of whom are independent, with one being the Committee Chairman. The Committee shall include the Chairman of the Board of Directors. It shall convene regularly provided that it shall hold no less than two meetings per year, with the meeting minutes duly recorded. Duties of the Committee can be summarized as follows:

1. Supervising the preparation of the Corporate Governance Manual and its adoption by the Board, ensuring that this manual reflects the bank's perspective on corporate governance in terms of its concept, importance, and fundamental principles to the minimum extent compliant with prevailing legislation, thereby ensuring the achievement of best practices in this field, and updating it whenever necessary.
2. Providing the Central Bank with a signed copy from all committee members confirming the compliance of the manual with the institutional governance instructions within two months from the date of any subsequent amendment to the Corporate Governance Manual.
3. Ensuring the implementation of the Corporate Governance Manual.
4. Reviewing and updating the Corporate Governance Manual whenever required.
5. Inviting any person in the Bank, at all administrative levels, to seek their opinion or ask them about any matter.
6. Submitting a report to the Bank's Board of Directors at least once a year, including its opinion regarding the extent of compliance with the provisions of the Corporate Governance Manual.
7. Compiling the corporate governance report and submitting the same to the Board of Directors.
8. Examining the observations put forth by the Jordan Securities Commission with regard to the implementation of governance principles and following up on the actions taken.
9. Immediately informing the Central Bank upon verifying any breaches of the provisions and requirements of the Corporate Governance instructions.
10. Verifying the correction of the observations mentioned in the Internal Audit Department's report - or any other relevant entity - regarding the bank's compliance with the Corporate Governance Manual.

Second: Audit Committee

The majority of Audit Committee members shall be independent members of the Board, including the Committee Chairman who shall not be the Chairman of the Board or the Chairman of any other Board Committee. Furthermore, the majority of committee members hold practical qualifications in accounting, finance, or professional certifications in these fields, possessing professional and practical experience in accounting, finance, external auditing, internal auditing, or banking operations, in addition to a thorough knowledge of the instructions of the Central Bank of Jordan and regulatory authorities. The Bank shall ensure that no activities of any other committee are combined with those of the Audit Committee. The Bank's Audit Committee shall assume the following duties and authorities:

- The Committee shall recommend the nomination of auditors for appointment or termination of their service and verify that they meet the requirements set forth in the instructions of the Securities Commission and to offer recommendations to the council on the appointment of the external auditor, the termination of their services, their fees, and any terms related to contracting with them, including any additional tasks the committee intends to assign to them, as well as assessing their independence.

- The Committee shall review the fees of auditors and recommend the fair value of the same in light of the required audit scope.
- The Committee shall recommend the appointment or termination of the Internal Auditor. It shall, in general, evaluate internal and external audits; review the scope, outcomes and adequacy of accounting matters impacting the Bank's financial statements; review and develop internal control systems; and provide the necessary support to the main internal audit staff to establish their independence and pay due attention to their employment conditions.
- Approval of an audit plan encompassing the bank's activities, including the activities of other control departments and activities outsourced to external entities, according to the level of risk associated with those activities.
- The Committee's approval shall be required in respect of any amendment from the annual internal audit plan.
- The Committee shall examine and follow up on the reports of the Internal Audit Department, the Bank's auditors and the Central Bank's inspectors, and other audit reports to which the Bank is subject from time to time. It shall also study the outcomes, notes, and recommendations of the same and review the Management's response to each report and taking the necessary actions.
- The Committee has the authority to obtain any information from the Executive Management directly or from the Internal Audit Manager and is entitled to invite any employee to attend any of its meetings in accordance with the provisions of the Committee's Charter.
- The Committee shall review and monitor the procedures enabling any employee to confidentially report any error in the financial reports or any other matters. It shall also ensure that there are arrangements for independent investigation in place and follow up on the results of such investigation and objectively handle the same.
- The Committee shall follow up on the implementation of any important audit notes, whatever their source, in an efficient and prompt manner, ensuring that appropriate corrective measures are taken without delay.
- The Committee shall examine auditors' notes on internal control systems and others and review the Bank's responses to the same. This includes reviewing the correspondence exchanged between the Bank and auditors to assess the contents thereof and make relevant notes and recommendations.
- The Committee shall review the Bank's interim and annual financial statements before presenting the same to the Board of Directors, giving special care to any differences that may arise between the Management and auditors during the preparation of financial statements or their results. It shall also ensure the implementation of the Central Bank's instructions on the adequacy of bad debt reserves and security portfolio provisions and express an opinion on the Bank's non-performing debts or those proposed to be considered bad debts.
- Verifying compliance of the Internal Audit Department with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, including conducting an external independent assessment of the internal audit activity at least once every five years and providing the Central Bank with a copy of this assessment.
- The Committee shall review any material amendments or other important issues relating to auditing processes or accounting principles applied by the Bank when preparing the annual financial statements. It shall also make sure that said financial statements conform to the instructions of the Central Bank and the Securities Commission, and other legal requirements and applicable accounting standards.
- The Committee shall consult with auditors, where necessary, on the suitability and accuracy of the Bank's internal control systems, and the extent of complying therewith, especially the adequacy of such systems for disclosing the Bank's annual financial statements in a correct and honest manner that is in line with applicable accounting rules.
- The Committee shall regularly meet with the internal and external auditors and the Compliance and AML Manager, at least once per year without the attendance of any member of the Senior Executive Management.
- The Committee shall ensure full compliance with the laws, regulations and instructions governing the Bank's business.
- The Committee shall express an opinion on other matters presented thereto by the Board of Directors from time to time.
- The Committee shall ensure the availability of adequate resources, including enough trained and qualified employees, to carry out internal audit tasks, and drive them to specialized training programs, such as corporate governance.
- The Audit Committee shall ensure the rotation of the audit of the Bank's various activities among internal audit employees every three years at most. And in case of inability to achieve that in certain areas, the committee's

approval is sought for justifications of non-compliance, especially in specialized cases such as auditing in the field of information technology and cybersecurity.

- The Committee shall make sure that no executive tasks are assigned to internal auditing personnel.
- The Committee shall ensure that all the Bank's activities, including outsourced activities, and as per the risk-based approach, are audited.
- The Audit Committee is responsible for verifying the external auditor's qualifications and effectiveness, as well as ensuring that the agreement letter clearly defines the scope of the audit, fees, contract period, and any other conditions in a manner appropriate to the bank's nature, size, operational complexity, and risks.
- The Committee shall review the external auditor's report and make sure that it covers all the Bank's activities. It shall also review the Central Bank's reports and follow up on the actions taken.
- The Committee shall detail the roles and responsibilities in relation to the management of information and related technologies, as set forth in the attached IT Governance Manual.
- The Committee shall work under the supervision of the Board and shall submit its reports and recommendations on the results of its operations to the Board.
- The Committee shall examine all work carried out by the external auditor, including notes, suggestions and reservations, follow up on the Bank Management's response to the same and submit recommendations in this regard to the Board.
- The Committee shall review the external auditor's assessment of the internal audit and control procedures.
- The Committee shall review the internal audit and control reports, especially those pertaining to any violations revealed by the internal auditor.
- The Committee shall present recommendations to the Board regarding any matters related to internal audit and control procedures and the internal auditor's work.
- Ensure that the Internal Audit Department conducts at least one review per year to ensure that all transactions with the bank's affiliated entities are in conformity with current legislation, internal bank rules, and approved processes. The department must present findings and recommendations on these issues to the audit committee. The audit committee must notify the Central Bank immediately upon verifying any breaches of prevailing legislation and internal policies in this regard.
- The Audit Committee shall convene at the invitation of its Chairman, provided that the meetings held shall not be less than four (4) meetings per year, or whenever necessary, or based on a decision by the Bank's Board, or upon the request of other members, or at the request of the Internal Auditor. The meeting minutes shall be duly recorded, and recommendations shall be made by majority vote.
- Evaluate the Internal Auditor's performance and determine bonuses in accordance with the board's performance evaluation policy.
- The Internal Audit Manager/Auditor-General at the Bank shall be invited to attend the Committee's meetings. The Committee may invite any person to express an opinion regarding any given matter.

Third: Nominations and Remuneration Committee

The Nominations and Remuneration Committee is comprised of a minimum of three (3) members, the majority of whom are independent including the Committee Chairman. It shall convene regularly provided that it shall hold no less than two (2) meetings per year, or whenever necessary, with the meeting minutes duly recorded. The Committee shall assume the following duties and authorities:

1. Study the suitability of candidates for membership on the board, taking into consideration the capabilities and qualifications of the candidates, and make appropriate recommendations to the board. Also, consider the attendance and effectiveness of the member's participation in board meetings when re-nominating a member.
2. Inform any individual (including a legal representative) who applies for membership on the board in writing of the board's decision indicating that the provisions of the institutional governance instructions do not apply to them.
3. Nominate qualified candidates for the board to join the senior executive management.
4. The Committee shall work on a clear methodology to ensure that all Board members devote sufficient time to carrying out their Board duties, including, for example, the member's affiliation with other boards of directors, committees, forums, etc.

5. The Committee shall identify the strengths and weaknesses of the Board of Directors and propose the necessary steps to address them in alignment with the Bank's interests. To achieve that, it shall adopt specific, approved and objective criteria for evaluating the Board's performance, including comparisons to other banks and similar financial institutions. The Committee shall also adopt standards to ensure the integrity and correctness of the Bank's financial statements and determine the degree of adherence to regulatory requirements.
6. The Committee shall ensure that Board Members attend workshops or seminars on banking-related topics, particularly risk management, corporate governance and the latest banking developments.
7. The Committee shall provide Board members with important background information and briefs on the Bank at their request and ensure they are always updated on the latest banking developments.
8. The Committee shall ensure that there is a succession plan in place for the Senior Executive Management.
9. The Committee shall annually review the required skills for Board membership and prepare a description of the required competencies, including the time that must be devoted by the member for Board duties.
10. The Committee shall annually verify the independence of independent Board members and that there is no conflict of interest in case the member serves on the board of directors of another company. And provide the Central Bank with any updates on the independence of any of the independent members.
11. Establishing a performance evaluation policy and granting financial bonuses to the bank's executives, and periodically reviewing it, including a mechanism for determining the salaries, bonuses, and benefits of the CEO and other members of the executive management. The committee is not allowed to delegate this task to the executive management, and this policy must be approved by the board.
12. The Committee shall ensure that there are clear policies in place for Remunerating Board Members and Senior Executives and use performance-related criteria to determine said remuneration. It shall also verify that salaries are sufficient for attracting and retaining qualified talents at the Bank. The policy shall aim to observe the following:
 - The policy should be structured to recruit and retain qualified and experienced executives and to motivate them and promote their performance.
 - The controls related to the remuneration of the chairman, members of the board, and its committees in return for the tasks they perform. These remunerations may be variable according to the assessment of the performance of the board/committees/members and the soundness and performance of the bank.
 - They should be designed to ensure that executives are motivated to achieve the bank's objectives without leading to high risks that may negatively affect the bank's soundness, reputation, or expose it to legal risks.
 - The policy shall take into consideration the risks, liquidity and profits and their timing, and reflect the goals, values and strategy of the Bank.
 - Remunerations shall not be based on the performance of the current year only but shall also take into consideration the medium- and long-term performance (three to five years).
 - The policy shall define the form of remunerations, such as fees, salaries, allowances, bonuses, share options or any other form of benefits. While taking into consideration the relevant regulations.
 - It shall offer the possibility of postponing payment of a reasonable proportion of remunerations (excluding salaries). The amount of such proportion and the postponement period shall depend on the activities and nature of the work performed by the concerned executive and the risks associated therewith.
 - A procedure for retracting deferred bonuses paid to executives if it is later discovered that there are any performance difficulties or that the bank has been exposed to significant risks as a result of decisions made within their authority that could have been avoided.
 - Executives of supervisory departments (e.g. Risk Management, Audit, Compliance, etc.) shall not be given remunerations based on the performance of their respective departments but rather based on their own performance and accomplishments.
13. The Committee shall approve the remuneration scheme, specifying the remunerations of the Executive Management, including the General Manager's salary and benefits. It shall also approve the staff remuneration schedule and the annual salary increase policy based on the recommendations made by the General Manager.
14. The Committee shall present its reports/recommendations, and report the outcome of its activities, to the Bank's Board of Directors.
15. Evaluating the performance of the board as a whole, its committees, and its members individually on an annual basis, with the committee using specific and approved criteria in the evaluation process to ensure that the performance evaluation criteria are objective and informing the Central Bank of the results. Furthermore, board

members (except Nominations and Remuneration Committee members) evaluate the committee's and its members' performance on a yearly basis.

16. The Committee shall annually evaluate the General Manager's performance according to an evaluation system prepared by them and approved by the board, which includes the establishment of key performance indicators. The evaluation criteria for the General Manager's performance should include both financial and managerial performance of the bank compared to the risk profile, as well as the extent of achievement of the bank's medium and long-term plans and strategies. Weightings should be assigned to each item of the evaluation criteria, and informing the Central Bank of the results of this evaluation.
17. The Committee shall lay out and annually review a policy for remuneration, benefits, incentives and salaries at the Bank. Upon approving the policy, the Board shall provide the Central Bank with a copy of it within a maximum period of seven (7) business days from the date of approval.
18. The Committee shall identify the Bank's needs of staff as well as qualified members to join the Senior Executive Management and specify the criteria for the selection.

Fourth: Risk Management Committee

The Risk Management Committee has been formed by a decision of the Bank's Board of Directors and is comprised of three (3) members, with the majority of the committee members, including the chairman, shall be independent members. The committee shall meet at least once every three months and whenever necessary and shall continue its work for the duration of the membership of the board of directors. The committee shall exercise the following tasks and authorities:

- Ensuring the existence of a comprehensive risk management strategy for the bank, including the type and level of acceptable risks for all bank activities.
- Verifying the availability of policies and tools for identifying, measuring, analyzing, evaluating, and monitoring risks, with an annual review at minimum to ensure their effectiveness and adjustment if necessary.
- Ensuring the availability of a risk management system that ensures the accuracy and adequacy of the data used to identify, measure, analyze, evaluate, and monitor risks and the losses that may result from them, and maintaining the necessary capital to address them.
- Verifying the effectiveness of the risk management department's procedures and assessing the extent of the executive management's compliance with the approved policies and procedures.
- Providing the board with regular reports on the risks facing the bank, including deviations from acceptable risk levels and the measures taken to address them.
- Keeping pace with developments affecting risk management in the bank.
- Verifying the availability of tools to assist in risk management, including but not limited to:
 - Self-assessment of risks and development of risk indicators.
 - Establishing a historical database of losses, identifying sources of those losses, and categorizing them by type of risk.
 - Availability of necessary equipment, appropriate automated systems, and quantitative methods.
- Verifying the availability of sufficient resources and an adequate number of qualified personnel for the risk management department.

- Evaluating the performance of the risk management department manager, determining their bonuses in line with the performance evaluation policy adopted by the board, after consulting with the General Manager.

Fifth: Compliance Committee:

The Compliance committee shall consist of at least three members, including an independent member, meeting at least once every three months and whenever necessary. It shall undertake the following tasks:

- Ensuring the existence of a specific compliance policy and its derived procedures, ensuring the establishment of a compliance function capable of effectively performing its duties, with the committee conducting an annual assessment of the bank's management of non-compliance risks at least once a year.
- Approving the annual plan and reviewing the periodic reports prepared by the compliance department, which include an assessment of non-compliance risks, violations, shortcomings, and corrective actions taken.
- Supervising the implementation of the compliance policy in the bank, ensuring that the bank's executive management promptly and effectively resolves all compliance-related issues.
- Overseeing the work of the compliance management, ensuring the presence of appropriate mechanisms to monitor the compliance of all management levels in the bank with all regulatory requirements, prevailing legislation, and international standards, including the recommendations of the Financial Action Task Force.
- Ensuring the availability of sufficient resources and an adequate number of qualified staff for the compliance department and subjecting them to specialized training programs.
- Evaluating the performance of the compliance department manager and determining their rewards in line with the performance evaluation policy approved by the board, after consulting with the General Manager.

Sixth: Credit Facilities Committee

The Committee has been formed by a decision of the Board of Directors. The number of its members may not be less than five (5) and any one of them may be an independent member, provided that he is not a member of the Audit Committee. Members of the Senior Executive Management may participate in the Committee's meetings to present their recommendations and exclusively examine credit facilities surpassing the authority of the highest Executive Management Committee. The legal minimum for Committee meetings shall be the attendance of at least four (4) members. Committee decisions are taken by a majority vote regardless of the number of members in attendance. The Committee shall be concerned with matters pertaining to granting credit facilities and strategic investments, and its authorities in respect of credit and investment shall be determined in accordance with the authority matrix approved by the Board. The Committee's roles and authorities can be summarized as follows:

- The Credit Facilities Committee shall take the right decision with regard to the facilities recommended for approval by the Executive Management Committee.

- The upper limits of the powers vested in this Committee regarding the granting, modification, renewal, restructuring, scheduling, or settling credit facilities shall be determined and the Board's powers in this regard shall be clarified.
- The Committee shall periodically submit to the Board details of the facilities approved by it.
- The Committee shall take decisions on exceptional cases within the limits of the authority matrix and in accordance with the applicable terms and principles, and the administrative hierarchy.
- The Committee shall approve credit transactions in accordance with the Bank's authority matrix and the Committee's charter approved by the Board of Directors.

Seventh: Strategic Planning Committee

The Committee has been formed by a decision of the Board of Directors and shall be comprised of no less than four (4) members of the Board, one of whom shall act as the Committee's Chairman. Committee members must be knowledgeable of administrative and financial matters and possess experience in banking and markets. A rapporteur shall be appointed to the Committee by the Board of Directors. The Committee shall convene regularly or whenever the need arises and shall take decisions and issue recommendations by majority of three of its members, of whom one shall be the Committee's Chairman. It shall submit its reports and recommendations, once they are issued, to the Board. The Committee shall hold no less than two (2) meetings per year. The duties undertaken by the Committee can be summarized as follows:

- The Committee shall recommend to the Board its suggestions regarding the Bank's appropriate strategic direction in light of the economic conditions, investment climate, and competition in the banking sector and developments therein.
- The General Manager shall be informed of the Board's strategic directions, plans and decisions, so that he can set the plans and executive procedures for the various business units at the Bank. Such strategic directions shall be adopted in the preparation of the annual work plans and budgets.
- The Committee shall review the General Manager's suggestions regarding work strategies to discuss them and prepare the necessary relevant recommendations for presentation to the Board.
- The Committee shall discuss the Bank's estimated annual budgets and decide thereon ahead of presentation to the Board.
- The Committee shall review the progress of annual work plans and estimated budgets, by comparing the actual accomplishments against the set targets and assess the causes of any deviation from set targets.
- The General Manager shall be invited to attend the meetings held by the Committee, in addition to any other person it deems appropriate. Dates of said meetings shall be set in coordination with the Committee's Chairman or whenever requested, provided that the General Manager is advised of the same by the Committee's rapporteur.
- The Committee's rapporteur shall be responsible for preparing the invitations for its meetings, agendas and minutes of meetings, and follow up on the implementation of its recommendations thereof as approved by the Board.
- The Committee shall undertake any other duties assigned thereto by the Board.

Eighth: Debt and Property Settlement Committee

A "Debt Settlement Committee" has been formed by a decision of the bank's board of directors, consisting of four board members. The committee members have full knowledge of debt settlement principles and possess the necessary practical and professional experience and qualifications. The committee continues its work throughout the duration of the board membership and is periodically reviewed and/or as needed.

Ninth : IT Governance and Cyber Security Committee

The IT Governance and Cyber Security Committee shall be comprised of four (4) Board members. It shall convene at least on a quarterly basis, presenting its reports regularly to the Board. It shall undertake the duties assigned to it under the IT Corporate Governance Manual.

Decisions by the Board of Directors and Board Committees shall be issued by majority vote. In case of equal votes, the Chairman shall have a casting vote. The Committees shall have the following authorities:

- Request any data or information from the Bank's personnel who shall, in turn, be cooperative and provide such information in a complete and accurate manner.
- Request legal, financial, administrative or technical advice from any external advisor.
- Request the presence of any employee in the Bank to get the necessary clarifications.

Part VI: Conflict of Interest, Disclosure and Transparency

First: Conflict of Interest within the Board

The Bank shall ensure that no Board member has any direct or indirect interest in the business and contracts concluded by the Bank. However, if this is necessary, the matter shall be subject to the approval of the General Assembly, which is to be renewed annually. Any business carried out via public tenders shall be exempt from such requirement if that Board member has offered the best proposal and in a manner that does not conflict with the Companies Law. Moreover, the Board member shall notify the Board if he/she has a personal interest in the business and contracts made for the Bank, with such notification being documented in the meeting's minutes, provided that said member may not participate in voting on the decision to be issued in this regard. The General Manager shall inform the General Assembly, upon convening, of the business and contracts in which a Board member maintains a personal interest. Such notification shall be accompanied by a special report from the chartered accountant. The Board Member may not participate in any activity which may be in competition with the Bank. In this regard, the Bank shall be keen to avoid conflict of interest through the following:

The board adopts a policy governing conflicts of interest in all its forms and the necessary procedures to ensure the adequacy of controls and internal oversight to monitor compliance with this policy and prevent any breaches thereof. This policy includes, at a minimum, the following:

- Prevent conflicts of interest between the bank and its executives or board members in any form.
- Immediately disclose any conflicts of interest between the bank's interests and those of bank executives or board members.
- Confidential bank information should not be disclosed or used for personal advantage or benefit. Confidential information exchanged during board meetings and committees should not be shared with anybody, including executives.
- Prioritize the bank's interest in all transactions with any other company in which it has a personal interest, refrain from taking commercial opportunities of the bank for personal gain and avoid conflicts of interest. Disclose to the board in detail any conflict of interest, and if present, commit not to attend or participate in the decision made at the meeting where such a matter is discussed. Document this disclosure in the minutes of any board or committee meeting.
- The policy should provide examples of cases that may lead to conflicts of interest, including conflicts between the interest of a board member and the bank's interest, or between the interest of a board member and the interest of the bank, or between the interest of an executive management member and the bank's interest, or between the interest of any company within the bank's group or affiliated with the bank and the bank's interest.

- The policy should define related parties with the bank in accordance with prevailing legislation and specify the terms of dealing with such parties to ensure that they do not receive better terms than those offered to non-related clients. This comprises all of the bank's dealings with companies within the banking group to which the bank is a part.
- Specify the nature of dealings with related parties to include all types of dealings, not just credit facilities.
- The procedures followed by the bank in cases of non-compliance with the above policy.

Second: Disclosure and Transparency

- The Board shall ensure that financial and non-financial information that is of interest to stakeholders is published.
- Ensure that the Corporate Governance Manual is made available to the public through the bank's website and other suitable channels. In its annual report, the bank should disclose the existence of a Corporate Governance Manual and the extent of its commitment to implementing its provisions.
- The Bank's annual report shall also include a statement to the effect that the Board is liable for the accuracy and completeness of the Bank's financial statements and other information contained in the report, as well as for the adequacy of the internal control systems.
- The Board shall ensure that the Bank's financial disclosures are consistent with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Central Bank's instructions, and other relevant legislation. It shall also ensure that the Executive Management is always up to date with IFRS changes.
- The Bank shall provide the Central Bank with the number of shares pledged by shareholders who hold 1% or more of the Bank's capital and the party for which the shares are pledged.
- The Board shall ensure that the Bank's annual and quarterly reports include disclosures that allow current and potential shareholders to know the financial position and operating outcomes of the Bank.
- The Bank obtains the Central Bank's non-objection to the nomination of any board member before the date of the Bank's general assembly meeting by a sufficient period of no less than one month. Candidates wishing to run for election must be informed of the necessity of obtaining the Central Bank's non-objection.
- The Bank provides the Central Bank with its general organizational structure when making any modifications to it, along with clarification of the modifications.
- The Bank obtains the non-objection of the Central Bank before appointing/transferring/promoting/assigning any member of the senior executive management, provided that the non-objection request is accompanied by the board's decision, the recommendation of the relevant committee, the approved general organizational structure, the member's declaration and accompanying documents certified by the Central Bank, the CV, academic certificates, experience certificates, a certificate of no conviction, and a copy of the national ID card (passport for non-Jordanians). The Central Bank will not consider any non-objection request unless it is complete with the above attachments.
- The Board shall ensure that the annual report includes, at minimum, the following:
 - Summary of the Bank's organizational structure.
 - Summary of the roles and responsibilities of Board committees and the authorities delegated to each committee.
 - Useful information of interest to stakeholders as identified in the Corporate Governance Manual and the extent of the Bank's compliance with the Manual.
 - Information on each Board member, including qualifications and experience, amount of shareholding in the Bank, whether an independent or non-independent Board member, membership in Board Committees, date of appointment to the Board, other memberships in the boards of directors of other companies, remunerations of all forms for the previous year in addition to loans from the Bank and any other transactions between the Bank and the Board member or parties related thereto.
 - Information about the Risk Management Department, including its structure and nature of its operations, and changes therein.
 - Number of meetings of the Board and Board committees and the number of meetings attended by each member.

- Names of independent Board members and senior executives during the year.
- Summary of the remuneration policy and full disclosure of all forms of remuneration to each individual member of the Board and Senior Executive Management for the previous year.
- List of shareholders that own 1% or more of the Bank's capital, identifying the Ultimate Beneficial Owners of such shareholdings or any part thereof, in addition to a clarification as to whether the shareholdings are wholly or partially pledged.
- Declarations from all Board members confirming disclosure of all benefits, in cash and in kind, received by them, or any persons related to them, in association with their work at the Bank in the past year.
- The Central Bank may object to the nomination of any person for Board membership, if it is found that he/she does not fulfil the requirements set forth in the Central Bank's instructions. The Bank shall observe the following:
 - The Bank obtains the non-objection of the Central Bank before nominating any person (as well as naming the representative for the legal entity, including the temporary representative for any governmental, public, or official entity) for membership on the board, provided that the non-objection request is accompanied by the board's decision, the nomination and rewards committee's recommendation, including its perception of the added value that the nominated member will bring, the declaration and its attachment, the declaration of the independent member (certified by the Central Bank number (1/6)), the CV, academic certificates, experience certificates, a certificate of no conviction, and a copy of the national ID card (passport for non-Jordanians). The Central Bank will not consider any non-objection request unless it is complete with the above attachments. The Central Bank shall be invited to attend the General Assembly meetings, with sufficient advance notice prior to the set date, so that it may designate a representative.
 - The Central Bank shall be invited to attend the General Assembly meetings, with sufficient advance notice prior to the set date, so that it may designate a representative.
 - The Bank shall inform the Central Bank at least thirty (30) days prior to the General Assembly meeting of its intention to nominate the external auditor for election (or re-election) by the General Assembly.
 - The Bank shall provide the Central Bank with information and declarations about members of the Board and Board Committees as well as the Senior Executive Management, as per the forms designed for this purpose within the requirements specified in the Corporate Governance Manual, and in the event of any change.
 - The Bank shall provide the Central Bank with information about Board Members, Management Boards and Senior Executive Managements of the Bank's subsidiaries inside and outside Jordan, as per the forms attached to the Corporate Governance Guide, on a semi-annual basis and in the event of any change.
 - The Bank shall provide the Central Bank with the General Assembly meetings within a period not exceeding five (5) business days from the date of endorsement by the Companies General Controller or a representative.
 - The Central Bank may summon any nominee for the Senior Executive Management for an interview prior to appointment. In addition, the Central Bank may, in the cases it deems necessary, summon any member/nominee for the Board of Directors for an interview.
 - The Central Bank may appoint an external entity to assess the governance of any bank, at the expense of the latter.
 - The Central Bank may, at any time, invite members of the Audit Committee, Internal Audit Manager or members of the Compliance Committee to examine any matter falling within the scope of their duties.
 - The Central Bank may set a larger number of independent members in the Board's structure, if deemed necessary.

- The Central Bank has the authority to meet with the external auditor for supervisory purposes and, if necessary, review the auditing work.
- The Central Bank may consider any member as being non-independent as per certain data, despite that member fulfilling all requirements stipulated in Article 6/d of the Corporate Governance Instructions, as set forth in Part Three "Suitability, Qualifications and Evaluation of Board Members" of the Corporate Governance Manual.
- The Companies Law and any other relevant laws, legislation and instructions issued by the regulatory authorities shall be observed in a manner that does not conflict with the provisions of the Corporate Governance instructions.
- The duties of Board Committees' rapporteurs shall be set to include: attending all committee meetings; recording all deliberations, suggestions, objections and reservations; coordinating meetings with the respective Committee's Chairman and members; ensuring that Committee members sign the meeting minutes and resolutions; keeping the Committee's meeting records and documents; and making preparations for meetings. Committee rapporteurs do not have the right to vote.

Part VII: General Regulations

The Bank shall compile the Governance Report and incorporate it into the Annual Report. The Governance Report shall be signed by the Chairman of the Board and shall primarily include the following:

- Information and details pertaining to the implementation of these instructions and corporate governance regulations at the Bank.
- Names of current and resigning members of the Board of Directors for the year, indicating whether they are executive or non-executive, independent or non-independent members.
- Names of representatives of corporate members of the Board, indicating whether they are executive or non-executive, independent or non-independent representatives.
- Names and titles of the Executive Management's members.
- All board memberships are held by any Board Member in public shareholding companies, if any.
- Names of Board Committees.
- Names of the Chairman and members of the Audit Committee along with a profile of their qualifications and expertise in relation to financial or accounting matters.
- Names of the Chairman and members of the Nominations and Remuneration Committee, Governance Committee, and Risk Management Committee, and Compliance Committee.
- Number of meetings held by all Committees during the year along with the names of attending members.
- Number of the meetings held by the Audit Committee with the external auditor during the year.
- Number of the meetings held by the Board during the year along with the names of attending members.

