



Instructions of Corporate Governance for Shareholding Listed Companies for the year 2017

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Instructions of Corporate Governance for Shareholding Listed Companies for the year 2017

Issued based on the provisions of Articles (12/N) and (118/B) of the Securities Law No. (18) for the year 2017 and approved by the Decision of the Board of Commissioners of the Securities Commission No. (146/2017) dated 22/5/2017.

Article (1)

These instructions are called "Instructions of Corporate Governance for Shareholding Listed Companies for the year 2017" and are effective as of 22/5/2017.

Article (2): Definitions

Without prejudice to the meanings assigned to the definitions contained in the Securities Law in force and the regulations, instructions and decisions issued thereunder, the terms and phrases in these Instructions shall have the meanings assigned to them below, unless the context indicates otherwise:

The Commission:	The Securities Commission
Company:	Shareholding Company listed on the financial market.
Board of Directors:	The Company's Board of Directors.
Executive Board Member:	A member who is a full-time employee or an employee of the company or receives a salary therefrom.
Independent Board Member:	A member who does not belong to the Company or any of the members of the Board of Directors or the senior executive management thereof or any affiliate or

subsidiary company or the external auditor of the company in any material interest or any relationship other than that related to his ownership of the shares in the company, which may constitute a suspicion of bringing any benefit, whether material or moral, to this member that may lead to influence his decisions or to exploit his position in the company. The status of independence shall cease if any of the cases mentioned in Article 4 (c) of these Instructions applies to the member of the Board of Directors.

**Non-Executive
Member:**

Board A member who is not a full-time employee or employee of the company, and does not receive a salary therefrom.

Insider:

The person who obtains the inside information by virtue of his position or job in the company, including the chairman and members of the Board of Directors, the general manager, the financial manager, the internal auditor, the external auditor, the representative of legal person, the secretary of the board and the relatives of the parties referred to.

Related-Party:

All those who have a direct or indirect relationship with the Company that allows them to influence the Company's decisions, and are mainly:

1. Members of the Board of Directors and the senior executive management of the company

2. Members of the Board of Directors or the Management committee and Senior Executive Management of the subsidiary and affiliated companies.
3. Any person who owns 5% or more of the subscribed shares of the company or any of its subsidiaries and affiliated companies.
4. The relatives of the Parties mentioned in items 1–3 of this definition.
5. Affiliates and subsidiaries of the company.
6. Employees' provident funds.
7. The Company's joint ventures with any other party.
8. Companies controlled by members of the Board of Directors and senior executive management and their relatives.

Related–Party Transactions: Transactions or deals that the Company enters into with any of the related–party, amounting to 5% or more of the Company's assets according to the latest financial statements issued by the Company.

Stakeholders: Persons having an interest with the Company including shareholders, employees at the company, creditors, suppliers and potential investors.

Cumulative Voting: The voting mechanism for the election of the members of the board of directors of the company that allows each shareholder the

option to distribute the number of votes according to the number of shares he owns. The shareholder has the right to use the votes for one candidate or to distribute them on more than one candidate where each share shall have one vote without repeating these votes.

Committees:

The permanent committees formed by the Board of Directors are the Audit Committee, the Nomination and Remuneration Committee, the Governance Committee and the Risk Management Committee.

Governance Report:

A report on the applications and practices of the company that related to corporate governance which shall be included in the company's annual report and is signed by the Chairman of the Board of Directors.

Relatives:

Father, Mother, Brother, Sister, Husband, Wife and Children.

Article (3): Scope of Application

The provisions of these instructions shall apply to the shareholding companies listed on the financial market. In case of any conflict between these instructions and any legislation issued by the Central Bank of Jordan or the Insurance Administration in the Ministry of Industry, Trade and Supply, the companies subject to the monitoring of these two entities shall inform the Commission accordingly and provide a clarification of this conflict to make the appropriate decision.

Article (4): Composition of the Board of Directors

- a. The company shall be managed by a board of directors of not less than five and not more than thirteen members, in accordance with the company's memorandum of association. They shall be elected according to the method of cumulative voting by the General Assembly of the Company by secret ballot.
- b. The majority of the members of the Board of Directors shall be non-executive members.
- c. At least one third of the members of the board of directors shall be independent members. If there is a fraction in the result of the calculation of the mentioned third, the result shall be brought to the next correct number. The status of the independence of the member of the board of directors shall cease if any of the following situation applies to the natural or legal member of board of directors or the representative of the legal person:
 - 1. If the member works or has worked as employee at the Company or any affiliate or subsidiary company during the last three years preceding the date of his election.
 - 2. If the member or any of his relatives works or has worked as a member of the Board of Directors or in the senior executive management of the company or any affiliate or subsidiary company during the last three years preceding the date of his election.
 - 3. If the member or any of his relatives has a direct or indirect interest in the contracts, projects and engagements that are

held with the company or any affiliate or subsidiary company, the value of which equals or exceeds 50,000 dinars.

4. If the member is a relative of the external auditor of the company, or if the member or any of his relatives is a partner of the company's external auditor or his employee, or if the member is a partner or employee for the external auditor during the last three years preceding his election.
 5. If the member owns 5% or more of the subscribed shares of the company or its affiliates or subsidiaries.
 6. If a relative of the member is one of the shareholders of the company who owns 5% or more of the subscribed shares of the company.
- d. The Board of Directors shall assume the duties of managing the Company for a period of four years from the date of its election.
 - e. A legal member of the board of directors shall designate a natural person to represent him during the term of the Board. He may also replace the natural person with another natural person to represents him during the Board term.
 - f. The Board of Directors represents all the shareholders and shall exert the necessary professional care in the management of the company and allocate the time necessary to carry out its work with integrity and transparency in order to achieve the company's goals, objectives and interest.
 - g. The position of Chairman of the Board of Directors and any other executive position of the Company may not be combined, nor shall any of the relatives of the Chairman of the Board of Directors work as the General Manager of the Company.

- h. The board member must be qualified and have sufficient experience and knowledge of administrative matters and be aware of relevant legislation and the rights and duties of the board of directors.
- i. Board members should attend training courses on the basics and applications of corporate governance.
- j. A member of the Board of Directors or his representative shall not be a member or representative of a member of the board of directors of another similar company or a competitor in its business or similar in its purposes. In all cases, the natural person shall not combine the membership of the boards of directors of more than five public shareholding companies in his capacity personally or as a representative of a legal person.
- k. The Company may not provide cash loans of any kind to the Chairman of the Board of Directors or to any of Board members or to any of their relatives. This excludes banks and financial companies which may, within their objectives, lend to any of those above mentioned and that according to the terms they deal with their other clients.
- l. The Company shall provide the members of the Board of Directors with all the information and data of the Company in order to enable them to carry out their work and to be familiar with all aspects related to the Company's work.
- m. The Board of Directors may seek the assistance of any external consultant at the company's expense provided that the majority of the members of the Board of Directors agree and avoid conflicts of interest.

Article 5: Duties and Responsibilities of the Board of Directors

The Board of Directors shall establish internal by-laws to be reviewed on an annual basis, specifying in detail the duties and powers of the Board of Directors and its responsibilities, including the following:

- a. Develop strategies, policies, plans and procedures that will benefit the company and its objectives, maximize its shareholders' rights and serve the local community.
- b. Establish the necessary procedures to ensure that all shareholders, including non-Jordanians, obtain their rights and are being treated in a way that achieves justice and equality without discrimination.
- c. Take the necessary measures to ensure compliance with the provisions of the legislation in force.
- d. Approve the risk management policy for the risk that company may expose.
- e. Organize financial, accounting and administrative matters of the Company under special internal regulations.
- f. Prepare the company's annual and quarterly reports and a preliminary report about company's activities, in accordance with the provisions of the legislation in force.
- g. Approve the Governance Report and including it in the Company's Annual Report.
- h. Establish code of the professional conduct for the Board of Directors, the Executive Management and the employees of the Company, and review and update them continuously.

- i. Ensure that the company's website, including the company's most important data and information, is provided, and that this information is updated regularly.
- j. Appoint a liaison officer who will be responsible for following up the matters related to the company's governance applications with the Commission.
- k. Approve the Company's disclosure and transparency policy and following up its implementation in accordance with the requirements of the regulatory bodies and the legislation in force.
- l. Develop a policy to avoid conflicts of interest and procedures aimed at preventing insiders in the company from exploiting confidential internal information to achieve material or moral gains.
- m. Establish a clear of delegation policy in the company to determine authorized persons and delegated authority limits.
- n. Appointment of the general manager of the company and termination of his services.
- o. Ensure the availability of the necessary administrative and technical expertise in the persons of the senior executive management to carry out the duties entrusted to them, determine their duties and powers, review the performance of their tasks, and the extent of their application to the policies, plans and procedures developed.
- p. Take the necessary steps to ensure the existence of internal controls over the work of the company, including the establishment of a special internal control and audit unit whose mission is to ensure compliance with the provisions of the legislation in force and the requirements of the regulatory bodies and internal by-laws and policies, plans and procedures established by the Board of Directors.

- q. Approve the replacement and succession planning policy and approve the human resources and training policy in the company.
- r. Develop a company's corporate social responsibility policy and its programs for the local community and the environment.
- s. Establish a mechanism to receive complaints and proposals submitted by shareholders, including their proposals to include specific topics on the agenda of the General Assembly meeting, in a manner that ensures their study and appropriate decision that shall be taken within a specified period of time.
- t. Establish a mechanism that allows shareholders holding at least 5% of the subscribed shares of the company to add items on the agenda of the ordinary general assembly meeting of the company before sending it in final form to the shareholders, provided that such mechanism is provided to the Commission.
- u. Approve the policy of granting bonuses, benefits, incentives and salaries in the company.
- v. Develop a policy that regulates the relationship with the stakeholders so as to ensure the implementation of the company's obligations towards them and to preserve their rights and provide the necessary information as well as establish good relations with them.
- w. Approve written procedures for the application of the provisions contained in these Instructions.

Article (6): Committees Formed by the Board of Directors

- a. The Board of Directors shall form the following Permanent Committees:
The Audit Committee, the Nomination and Remuneration Committee, the Governance Committee and the Risk Management Committee.
- b. The Audit Committee, the Nomination and Remuneration Committee and the Governance Committee shall consist of at least three non-executive Board members, at least two of whom shall be independent members, where the Committee shall be chaired by one of these two independent members, provided that the majority of the members shall be independent members. The Risk Management Committee shall consist of at least three members, provided that one of them is an independent member who shall be the Chairman of the Committee, and it may include members of the Senior Executive Management.
- c. Each of the Committees shall, with the approval of the Board of Directors, establish written procedures to regulate its work and determine its obligations.
- d. Each of the Committees shall take its decisions and recommendations by the absolute majority of the members. If the votes are equal, the side which the Chairman of the Committee voted with shall prevail.
- e. Each of the Committees shall submit its decisions and recommendations to the Board of Directors and a report on its work to the Annual Ordinary General Assembly Meeting of the Company.
- f. The committees have the following powers:
 - 1. Request any data or information from Company employees who must cooperate to provide this information in a complete and accurate manner.

2. Request legal, financial, administrative or technical advice from any external consultant.
 3. Request the presence of any employee in the company to obtain any necessary clarifications.
- g. The Audit Committee shall meet periodically, with at least four meetings per year. Each of the Governance Committee, the Nomination and Remuneration Committee and the Risk Management Committee shall meet periodically, provided that the number of its meetings shall not be less than two meetings per year. The minutes of these meetings shall be duly recorded.
- h. In case of any conflict between the recommendations of any of the Committees and the decisions of the Board of Directors, the Board of Directors shall include in the Governance Report a statement clearly detailing these recommendations and the reasons for non-compliance by the Board of Directors.
- i. The Board of Directors may form committees to carry out specific tasks for specific periods in accordance with procedures determining the matters related to the Committee, including its mandate, duration of work and powers granted to it.

Article (7): Audit Committee

- a. All members of the committee must have knowledge and know-how in financial and accounting matters. At least one of them should have previous work experience in accounting or financial matters or shall be a holder of an educational degree or a professional certificate in accounting, finance or other related fields.

- b. The Company shall put all necessary resources at the disposal of the committee to enable it to perform its work, including the use of experts whenever necessary.
- c. The Audit Committee shall meet with the Company's External Auditor without the presence of any of the persons of the Senior Executive Management or its representative, at least once a year.
- d. The Committee shall supervise and monitor the accounting, control and audit activities of the Company, including the following:
 - 1. Discuss matters related to the nomination of the external auditor and to ensure that he meets the requirements of the legislation in force and that there is no impact on his independence.
 - 2. Discuss all matters relating to the work of the external auditor, including his observations, proposals and reservations, and follow up the response of the company's management and make recommendations thereon to the Board of Directors.
 - 3. Review the correspondence of the company with the external auditor and evaluate what is contained therein and make observations and recommendations thereon to the Board of Directors.
 - 4. Follow up the company's compliance and commitment with the provisions of the legislation in force and the requirements of the regulatory bodies.
 - 5. Study the periodic reports before submitting them to the Board of Directors and make recommendations thereon, with a focus on any changes in the accounting policies adopted and any change in the accounts of the company due to the audits or as a result of the proposals of the external auditor.

6. Study the work plan of the external auditor and ensure that the company provides the auditor with all necessary facilities to carry out his work.
7. Study and evaluate internal control and auditing procedures.
8. Review the External Auditor's assessment of the internal control and audit procedures.
9. Review the internal control and audit report, especially those relating to any violations that appear as a result of the work of the internal auditor.
10. Provide recommendations to the Board of Directors regarding matters related to the procedures of internal control and audit and the work of the internal auditor.
11. Ensure that there is no conflict of interest that may result from the Company entering into deals, contracts or projects with related-party.
12. Review the related-party transactions with the company and recommend them to the Board of Directors prior to their execution.
13. Establish a mechanism that enables employees at the company to report confidentially their doubts about any matters related to financial reports, internal control or other matters, and to ensure that appropriate arrangements exist to allow an independent investigation into these matters while ensuring that the employee is granted confidentiality and protection against any adverse reaction or damage and propose such a mechanism to the board of Directors for approval.
14. Develop policies and strategies to ensure enhanced internal control in the company.

15. Develop the appropriate mechanisms to ensure that the company is providing the sufficient number of qualified human cadres to carry out internal control duties so that they are adequately trained and rewarded.

16. Study and evaluate any additional works performed by external auditor outside the scope of the audit, such as providing administrative and technical consultations, ensuring that they do not affect his independence, and recommend it to the Board of Directors for decision.

17. Any other matters decided by the Board of Directors.

e. The Audit Committee shall have the following powers:

1. Request the attendance of the external auditor if the committee considers it necessary to discuss with him any matters related to his work in the company, and may inquire from him or request his opinion in writing.
2. Recommend to the Board of Directors the nomination of the External Auditor for election by the General Assembly.
3. Nominate a candidate to be appointed as the company's internal auditor.

Article (8): Nomination and Remuneration Committee

The duties of the Nomination and Remuneration Committee shall be mainly:

- a. Ensure the independence of independent members on an ongoing basis and inform the Commission in the event of the absence of independence from any member of the Board of Directors.
- b. Develop the policy for the granting of bonuses, benefits, incentives and salaries at the company and review it annually.

- c. Identify the company's needs of competencies at senior executive management level and employees and the bases of their selection.
- d. Develop a replacement and succession planning policy and a human resources and training policy in the company, monitor its application, and review it annually.
- e. Conduct an annual evaluation of the performance of the Board of Directors and its committees, provided that the committee informs the Commission of the outcome of this evaluation.

Article (9): Governance Committee

The duties of the Governance Committee are mainly:

- a. Prepare the governance report and submit it to the Board of Directors.
- b. Develop written procedures for the application of the provisions of these instructions, review them and evaluate their applicability annually.
- c. Ensure that the company complies with the provisions of these instructions.
- d. Study the Commission's observations regarding the application of corporate governance in the company and follow up on what has been done.

Article (10): Risk Management Committee

The duties of the Risk Management Committee are mainly:

- a. Develop the Company's risk management policy and review it annually.
- b. Monitor and evaluate the various types of risks that the Company may expose.

Article (11): Board of Directors Meetings

- a. The Board of Directors shall hold its meetings according to the written invitation from its Chairman or his deputy in case of his absence or according to the written request submitted to the Chairman of the Board by at least one quarter of its members, in the presence of the absolute majority of its members.
- b. Voting on the decisions of the Board of Directors shall be in person or by any other means approved by any legislation in force.
- c. Board of Directors decisions shall be issued by the absolute majority of the members present at the meeting and if the votes are equal, the side which the Chairman of the meeting voted with shall prevail.
- d. The Board of Directors shall hold at least one meeting every two months, with at least six meetings during the fiscal year.
- e. The Board of Directors shall appoint a Secretary of the Board of Directors who shall record the minutes of its meetings and decisions in a special record numbered in sequence, indicating the members present the meeting and any reservations they make.

Article (12): General Assembly Meetings

- a. The General Assembly shall consist of all shareholders who have the right to vote.
- b. The General Assembly of the Company shall hold an ordinary meeting at least once a year. This meeting shall be held within the four months following the end of the fiscal year of the Company. The General Assembly of the Company may hold an extraordinary meeting at any time in accordance with the legislation in force.

- c. The Board of Directors shall send an invitation to the Commission and to each Shareholder to attend the General Assembly meeting which shall be delivered either by hand or by registered mail or e-mail of the shareholder at least 21 days prior to the date of the meeting, provided that the appropriate arrangements and procedures are prepared for the meeting including the choice of place and time, in a manner that encourages and helps the participation of as many shareholders as possible.
- d. The date and venue of the meeting shall be indicated in the invitation and the agenda of the plenary, including the subjects to be discussed during the meeting that shall be attached in a detailed and clear manner, as well as any documents or attachments relating to those subjects.
- e. No new topics should be discussed during the General Assembly meeting that are not listed on the agenda of the General Assembly previously sent to shareholders.
- f. The shareholder wishing to nominate himself for membership of the Board of Directors shall provide the Company with his Curriculum Vitae (CV) before the end of the fiscal year of the Company, which precedes the year in which the General Assembly meets for the election of the Board of Directors. In this case, the Board of Directors shall attach this CV to the invitation sent to the shareholders to attend the general assembly meeting.
- g. The Board of Directors shall announce the date and place of the General Assembly meeting in two daily local newspapers at least two times as well as on the Company's website.
- h. The shareholder may deputize another shareholder to attend the General Assembly meeting on his behalf under a written proxy authorization or to

deputize another person under a judicial proxy, in accordance with the legislation in force.

- i. The General Assembly meeting shall be chaired by the Chairman of the Board of Directors or his Deputy in case of his absence or by member who delegated by the Board of Directors in case of the absence of them both. The members of the Board of Directors shall attend the General Assembly meeting must not be less than the number required to constitute a legal quorum for any meeting of the Board of Directors.
- j. The General Assembly meeting should be managed in a manner that allows shareholders to actively participate and express their opinions freely, to receive answers to their questions and to provide sufficient information to enable them to take their decisions.

Article 13: Rights of Stakeholders

The Company shall protect the rights of stakeholders, enabling them to fulfill the Company's obligations towards them and to preserve their rights as well as to obtain reliable, adequate and relevant information on a regular and timely basis.

a. General rights of shareholders

The shareholders of the Company have the following general rights:

1. The Company shall keep records of the ownership of the shareholders, including the information about their ownership, including their names, number of shares they own, and any restrictions on ownership, and any changes that may occur.
2. Access the record of shareholders in respect of their

ownership for any reason and for the whole record for any reasonable reason accepted by the competent authority.

3. Access to information and documents of the company in accordance with the legislation in force, including documents relating to related-party transactions.
4. Obtaining periodic and non-periodic information disclosed in accordance with the legislation in force.
5. Participating and voting in the General Assembly meeting of the company whether in person or by proxy with votes equal to the number of shares owned by the shareholder and delegated shares.
6. Obtain the annual dividends of the company within forty-five days from the date of taking the General Assembly's decision to distribute them.
7. The preemptive right to any new issues of the Company prior to offering them to other investors, unless the shareholders waive this priority by a decision of the Extraordinary General Assembly of the Company.
8. file a lawsuit against the Board of Directors or any of its members claiming compensation for any damage incurred as a result of violation of the legislation in force or the Company's memorandum of Association, error, negligence in the management of the company or disclosure of the confidential nature information of the company, or resort to means of resolving disputes through alternative methods, including mediation and arbitration in accordance with the legislation in force.
9. File a lawsuit against the General Manager of the Company or any employee thereof claiming compensation for the damage incurred as a result of disclosing the confidential nature information of the company.

10. Request for an extraordinary general assembly meeting by shareholders holding at least 10% of the subscribed shares of the company.
11. Request an Extraordinary General Assembly meeting by shareholders who own not less than 20% of the subscribed shares of the company to demand the dismissal of the Chairman or any member by the Board of Directors excluding members representing government shares or any public legal person.
12. Request an audit of the company's activities and its records by shareholders who own at least 10% of the company's subscribed shares.
13. File a lawsuit to contest the legality of any meeting held by the General Assembly or to contest the decisions taken by it within three months from the date of the meeting, in accordance with the legislation in force.
14. Access the minutes of the General Assembly meetings of the company.
15. Existence of a division at the company that carries out the tasks related to the management of the shareholders relationship with the company.

b. Rights within the powers of the General Assembly

The General Assembly has the power to take decisions that affect the Company's future directly, including the following:

1. Discussing the performance of the company and its plan for the coming period with the Board of Directors.
2. Election of the members of the Board of Directors.

3. Election of the external auditor and determining his fees or delegate the Board of Directors to determine them.
4. Approval of the related-party transactions prior to their execution.
5. Approving the financial statements of the company.
6. Amend the Memorandum of Association and Articles of Association of the Company.
7. Incorporation, merger or liquidation and dissolution of the company.
8. The dismissal of the Board of Directors, its Chairman or any of its members.
9. Sell the company or own another company entirely.
10. Increase or decrease the company's capital.
11. Issuance of corporate convertible bonds to shares.
12. Ownership of the company's employees for shares in its capital.
13. Purchase of the company for its shares and sell those shares.
14. Sell the entire assets of the company or more than 51% of its assets.

Article (14): Disclosure and Transparency

- a. The Company shall establish written procedures in accordance with the disclosure policy adopted by the Board of Directors to regulate the disclosure of information and follow up its application in accordance with the requirements of the regulatory bodies and the legislation in force.
- b. The Company shall provide disclosure information to shareholders and investors in an accurate, clear, non-misleading and timely manner in accordance with the requirements of the regulatory bodies and the legislation in force in a manner that would enable them to take their decisions. This includes disclosures relating to:

1. Periodic reports.
 2. Material information.
 3. The number of securities issued by the Company and owned by the members of the Board of Directors and the senior executive management and their relatives.
 4. Privileges of the members of the board of directors and senior executive management.
- c. The Company shall organize its accounts and prepare its financial statements in accordance with the International Financial Reporting Standards (IFRS).
- d. The company should use its website to enhance disclosure, transparency and provide information.
- e. The Company should disclose its policies and programs towards the local community and the environment.
- f. Insider at the company may not disclose the inside information related to the company other than to the competent authority or the judiciary. The securities issued by the company may not be traded on the basis of inside information or by exploitation of inside or confidential information for material or moral gains.
- g. The Chairman of the Board of Directors or any of its members or the general manager of the company or its external auditor under legal liability notify the concerned regulatory bodies in the event of any of the following:
1. If the Company is exposed to poor financial or administrative conditions or suffered serious losses that affect shareholders' equity or the rights of its creditors.

2. The Board of Directors or any of the members of the Board of Directors or its General Manager shall exploit their powers and status in any manner whatsoever to achieve for them or any other person any benefit unlawfully, and this provision shall apply in the event that any of them abstains from the work required by law.
3. The Board of Directors or any of the members of the Board of Directors or the General Manager shall carry out any manipulative act including embezzlement, fraud, forgery, or misuse of credit, in a way that would prejudice the rights of the Company, its shareholders or others.

Article (15): The External Auditor

- a. The Company shall take the appropriate measures to ensure the following:
 1. The external auditor shall not be a founder, shareholder or member of its board of directors, or be a partner of any member of the Board of Directors or an employee thereof.
 2. The external auditor shall be among the auditors registered with the Commission.
 3. The External Auditor shall not perform any other additional services to the Company such as providing administrative and technical consultations, except after obtaining the approval of the Board of Directors according to the recommendation of the Audit Committee of the Company.
 4. The auditor should be independent in accordance with international standards on auditing (ISAs).

5. The auditor shall perform his duties impartially and the Board of Directors or the senior executive management shall not interfere with his work.
- b. No staff working in the Office of the External Auditor may be appointed to the Senior Executive Management of the Company until at least one year has elapsed since leaving the auditing of the Company's accounts.
- c. The External Auditor shall perform all duties required by legislation in force, including:
 1. Performing the duties assigned to him independently and impartially.
 2. Monitoring the company's operations.
 3. Auditing the company's accounts in accordance with international standards.
 4. Examining the administrative and financial systems of the company and its internal control systems and give an opinion on their effectiveness and ensure their suitability for the proper functioning of the company and the preservation of its funds.
 5. Verifying the ownership of the company's assets and the legality of its obligations.
 6. Attending the General Assembly meetings of the company.
 7. Answering the questions and queries of the shareholders of the company regarding the financial statements and closing accounts during the General Assembly meetings.
 8. Expressing an opinion on the fairness of the financial statements of the company and request its amendment if there is any impact on its fairness.

9. Reporting any violation of the legislation in force or any financial or administrative matters that have a negative impact on the company's status to the competent authorities.

Article (16): related-Party Transactions

- a. The Company may not execute the related-party transactions except with the approval of the Board of Directors and the approval of the General Assembly after obtaining the opinion and evaluation of the External Auditor in this regard, and the related-party may not vote on the decision of the Board of Directors and the General Assembly, which shall be issued in respect of the transaction belonging to him.
- b. The Board of Directors shall, prior to the approval of the related-party transactions by the General Assembly, attach the following information and data to the invitation for a General Assembly meeting addressed to shareholders:
 1. Disclosure includes the data and information about the related-party, details of the deal or transaction, and the nature and extent of interest of the related-party in the transaction.
 2. Written confirmation that the terms of the deal or transactions with the related-party are fair and reasonable and in the interest of the shareholders of the company.
 3. Opinion and Evaluation of the External Auditor.

Article 17: Governance Report

The Company shall prepare the Governance Report and include it in the Annual Report of the Company, provided that it is signed by the Chairman of the Board of Directors, and includes mainly the following:

- a. Information and details regarding the application of the provisions of these instructions and corporate governance rules in the company.
- b. Names of current and resigning Board members during the year and determining whether the member is executive or non-executive, and independent or non-independent.
- c. The names of the representatives of the legal board members and determine whether the representative is executive or non-executive, and independent or non-independent.
- d. Executive positions in the company and the names of the persons who occupy them.
- e. All the memberships of the boards of directors held by a member of the board of directors in public shareholding companies, if any.
- f. Name of Governance Liaison Officer.
- g. Names of Committees formed by the Board of Directors.
- h. Name of the Chairman and Members of the Audit Committee and a description of their qualifications and experience in financial or accounting matters.
- i. Name of the Chairman and members of the Nomination and Remuneration Committee, the Governance Committee and the Risk Management Committee.
- j. The number of meetings for each of the committees during the year with the statement of the members present the meeting.
- k. Number of Audit Committee meetings with the External Auditor during the year.
- l. Number of Board of directors meetings during the year with the members present the meeting.