



Governance Report for 2022



Corporate Governance Framework

Jordan Kuwait Bank believes that the existence of good corporate governance leads to good management of the Bank, and helps to achieve the Bank's strategic objectives and safely manage its operations in a manner that safeguards the depositors' interests, and ensures the responsibility towards shareholders and other stakeholders. The Bank bases the management and development of its internal corporate governance according to the legislations of the Companies Law in force, the Corporate Governance instructions issued by the Jordan Securities Commission, and the Corporate Governance instructions for banks issued by the Central Bank of Jordan (CBJ), in addition to the provisions and instructions issued by international regulatory authorities pertaining to banking operations and that are in line with the Bank's nature of business and its internal systems.

Jordan Kuwait Bank's Board of Directors affirms its commitment and that of the Bank's executive management and all the employees in implementing the governance instructions. The Bank's adoption of this manual aims to realize the corporate governance principles of fair treatment for all stakeholders; transparency and disclosure of JKB's actual financial and administrative standing; and the relational accountability between the Board of Directors and the executive management, between the Board and shareholders as well as between the Board and various stakeholders. To achieve greater level of disclosure and transparency, the Corporate Governance Manual is annexed to this report and is published on the Bank's website www.jkb.com.

In accordance with the instructions of the Central Bank of Jordan, work has begun on the application of the requirements for the Governance and Management of Information and Technology according to COBIT framework.

The Bank's organization and administrative procedures are based on the following principles:

- A board of directors is in place that is effective and responsible.
- A clear strategic direction for business development within clear framework for risk management.
- Sound accounting and information disclosure principles.
- Sound decision making mechanisms.
- Performance evaluation linked to the strategy.
- Human resources development.

Board of Directors (BoD)

The formation of the Board of Directors is governed by the Jordanian Companies Law, the CBJ's Banks Law and Corporate Governance instructions for Banks, and the Governance instructions for listed companies issued by the Jordan Securities Commission.

The main role of the Board of Directors lies in its responsibility of ensuring the soundness of the Bank's operations including its financial standing, and fulfilling its obligations towards all stakeholders. The Board sets the Bank's strategic objectives that meet the interests of the Bank, shareholders, and customers, and has oversight responsibility over the executive management. It is also accountable for ensuring the effectiveness of internal monitoring and control systems and the extent to which the Bank is abiding by the strategic plans and that written policies covering all of the Bank's activities are endorsed and in place.

The Board of Directors is also responsible for the credibility and accuracy of the Bank's financial reports and the information contained in the Annual Report and ensuring the application of appropriate risks policies as well as compliance with all laws in force.

The current Board of Directors was elected by the General Assembly on May 4, 2021 for tenure of four years. The Board of Directors elected H.E. Mr. Nasser A. Lozi as Chairman and Mr. Faisal H. Al-Ayyar as Vice Chairman.

Board Members for the Current Tenure

A- Members

Name	Executive/ Non-Executive	Independent/ Non-Independent	Member status
Mr. Nasser A. Lozi /Chairman	Non – Executive	Independent	Existing member
Mr. Faisal H. Al Ayyar / Vice Chairman	Non – Executive	Non-Independent	Existing member
Dr. Marwan J. Muasher	Non – Executive	Independent	Existing member
Mr. Hani K. Hunaidi	Non – Executive	Independent	Existing member
Dr. Safwan S.Toqan	Non – Executive	Independent	Existing member
Dr. Omar M. Al Jazy	Non – Executive	Independent	Existing member
Mrs. Nadia A. Rawabdeh	Non – Executive	Independent	Existing member

B- Representative Members:

Name	Executive/ Non-Executive	Independent/ Non-Independent	Member status
Mr. Moustapha S. Chami Rep Al Rawabi United Holding Co.	Non – Executive	Non – Independent	Existing member
Mr. Tariq M. Abdul Salam Rep Al Rawabi United Holding Co.	Non – Executive	Non – Independent	Resigned on 20/4/2022
Mr. Masaud Mahmoud Jawhar Hayat Rep Kuwait Projects Co. (Holding)	Non – Executive	Non – Independent	Existing member
Mr. Marwan M. Awad Rep Social Security Corporation	Non – Executive	Non – Independent	Existing member
Mr. Nidal F. Qubbaj Rep Social Security Corporation	Non – Executive	Non – Independent	Existing member
Mr. Majed F. Burjak Rep Safari Development & Real Estate Investment Co.	Non – Executive	Non – Independent	Existing member
Mr. Bijan Khosrowshahi Rep Odyssey Reinsurance Co.	Non – Executive	Non – Independent	Existing member

Membership of Board of Directors in Public Shareholding Companies

Name	Board Membership in Public Shareholding Companies
Mr. Nasser A. Lozi	Gulf Insurance Group/Jordan
Mr. Bijan Khosrowshahi	Gulf Insurance Group/Jordan
Dr. Marwan J. Muasher	Masafat For Specialized Transport Co., Ready Mix Concrete & Constructions Supplies Co., Premier Business & Projects Co.

Executive Management

Mr. Haethum S. Buttikhi	Chief Executive Officer
Mr. Daoud A. Issa	Chief Operating & Support Officer
Mr. Zuhdi B. Al-Jayousi	Head of Corporate Business
Mr. Ibrahim F. Bisha	Head of Treasury & International Relations
Dr. Makram A. Al- Qutob	Head of Credit
Mr. Suhail A. Salman	Head of Retail Business
Mr. Zeid W. Sharaiha	Head of Investment Business
Mr. Ibrahim E. Kashet	Head of Legal Affairs
Mr. Ibrahim F. Taani	Head of Finance
Mr. Maher M. Abu Sa'adeh	Head of Information Technology
Mr. Tareq J. Alkhitan	Head of Operations
Mrs. Dana A. Jaradat	Head of Strategy & Marketing
Mr. Fadi M. Ayyad	Head of Compliance
Mr. Mahmoud I. Al Ahmar	Head of Risk
Mr. Yousef W. Hassan	Head of Internal Audit

JSC Governance Officer

Mr. Fadi M. Ayyad	Head of Compliance
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Board Committees

In the aim of organizing the Board of Directors' work and to increase its efficiency and effectiveness, the Board of Directors forms different committees from its members that are delegated with authorities and responsibilities to be in line with the Bank's strategies and goals. The committees' composition, duties and responsibilities have been detailed in the Corporate Governance Manual which is published on the Bank's website and annexed to the Annual Report.

1. Corporate Governance Committee (Governance Committee)

The committee oversees the development of the Corporate Governance Manual, its update, and monitors its implementation; ensures that the Bank's organizational structure meets the corporate governance requirements; adopts general policies, raises them to the Board of Directors for approval, supervises their implementation, and ensures commitment to the adopted JKB Code of Ethics at the level of BoD and all administrative levels at the Bank; in addition to any other duties included in the Governance instructions for listed companies and that are carried out through the Corporate Governance Department.

2. Risk Committee

The committee's role is to review the Risk Management's framework and strategy of Risk Management; create a suitable work environment that helps identify and manage risks with significant impact; and stay abreast with the developments that affect the Bank's operations. The committee reviews reports submitted by the Risk Management Department and submits relevant recommendations to the Board of Directors, illustrating the Bank's commitment to the acceptable risk appetite level, in addition to any other duties included in the Governance instructions for listed companies.

3. Compliance Committee

The committee's role is to ensure the existence of policies and procedures for the bank's compliance with the applicable laws and regulations; approve the organizational structure of the Compliance Control Department and guarantee its independence; ensure that an annual non-compliance risk management plan is in place; assess the degree of effectiveness with which the Bank manages the risk of non-compliance at least once a year and review it should amendments have been made, in addition to any other duties included in the Governance instructions for listed companies.

4. Audit Committee

The committee shall review and ratify the internal audit plan which includes audit scope and frequency; review internal audit reports; review reports and notes issued by regulatory bodies and the external auditor and ensure that the executive management takes the corrective measures; review the Bank's financial statements prior to submission to the Board of Directors and ensures that the Bank has properly observed and complied with international accounting and audit standards, in addition to any other duties included in the Governance instructions for listed companies.

5. Nominations & Remuneration Committee

The Committee shall identify eligible persons for board membership and determine members' "independency"; provide recommendations to the Board for the appointment of qualified executive management members; implement a formal performance assessment policy for the Board of Directors and executive management; ensure that the Bank has a remuneration policy in place; in addition to any other duties included in the Governance instructions for listed companies.

6. Board Credit Committee

The Committee's Role includes:

- Grant, modify, renew and restructure of credit facilities that exceed the authorities of the Credit Management Committee, headed by the Chief Executive Officer, within the limits set by the Board of Directors. The Board of Directors shall take the decisions in matters exceeding the Committee's authorities.
- The Committee's authority is limited to taking the right decision regarding the facilities that have been recommended for approval by the Credit Management Committee.

The Board of Directors may delegate some or all of the Board Credit Committee's authorities in respect of modifying the terms or restructuring of facilities to the Credit Management Committee.

7. Management and Investment Committee ¹

The Committee reviews and takes appropriate decisions on:

First: Management issues:

- Administrative expenses, procurement contracts, bids, supplies, donations, and generally all commitments and contracts in excess of the powers entrusted to the senior executive management as identified within the Authority matrix and powers endorsed by the Board of Directors, and take the managerial and financial decisions in their regard.

1. The committee was terminated by the decision of the Board on 21/12/2022

- Approve requests/offers for the sale of Bank owned properties beyond the limits entrusted to the Senior Executive Management as stipulated in the approved Authority matrix.
- Approve Bank owned real estates' pricing annually or when required.

Second: Investment issues:

Take decisions concerning proposals and requests submitted by the Management Investment Committee on matters beyond its authority as stipulated in the approved authority matrix annexed to the approved investment policy. This includes the following:

- Bank investments in Jordanian Dinar in money market and capital market instruments.
- The Bank's investments in foreign currencies in money market, capital market tools and currency exchange operations.

The Board of Directors shall decide on any of the items listed above if they exceed the authority of the Committee.

8. Information Technology Governance Committee

The Committee is responsible for approving the Information Technology strategic objectives and appropriate organizational structures, including steering committees at executive management level, ensuring the achievement of the Bank's strategic objectives, and the best value is realized by the IT projects and investments made, while utilizing the tools and standards to monitor and ascertain the extent of achievement. The Committee shall oversee and be apprised of the progress of IT operations, resources, and projects to ensure its adequacy and its effective contribution in achieving the Bank's business requirements.

Audit Committee Members

Mr. Hani K. Hunaidi, Committee Chair (Independent)

Education:	Master of Business Administration (MBA), Portland State University –USA, 1980 and Bachelor of Business Administration, American University of Beirut 1973, Certified Public Accountant (CPA).
Current Position:	<ul style="list-style-type: none">• Chairman of the Board of Trustees, Mediterranean Industries• Chairman of the Board of Trustees, Mediterranean Energy Co.
Previous Positions:	<ul style="list-style-type: none">• Chairman, National Ammonia and Chemical Industries (1991- 2009)• Managing Director, Jordan Kuwait Company for Agriculture and Food Products (1986-1992)• Project General Manager, Jordan Management and Consultancy Corp. (1984-1986)• Financial and Administrative Manager, Jordan Securities Corp. (1982-1984)• Auditor, Touch Ross & Co. (1980-1982)• Project Senior Accountant, Consolidated Contractor Company (1976-1978)• Accountant, Safwan Trading & Contracting Co. (1973-1974)

H.E. Mr. Marwan M. Awad (Non- Independent)

Education:	Master's degree in economics from Vanderbilt University-USA, 1980, A Diploma of Higher Education in economic development from Vanderbilt University– USA, 1980 and bachelor's degree in Business Administration, Jordan University, 1973.
Current Position:	<ul style="list-style-type: none">• General Manager, First International for Consultation and Arbitration• Chairman, Jordanian Elaf Co. for Integrated Solutions• Chairman, Business Risk Experts Forum• Vice Chairman, World Union of Arab Bankers – Beirut• Member of Board of Trustees, Arab Academy for Banking and Financial Sciences
Previous Positions:	<ul style="list-style-type: none">• Minister of Finance (1996-1997)• Secretary General, Ministry of Industry and Trade (1991 – 1993)• Chairman, Social Security Investment Board• Vice Chairman, Royal Jordanian• General Manager and CEO, Jordan Ahli Bank• Manager, Investment and International Relations, Central Bank of Jordan• General Manager and CEO, Middle East Investment Bank• Executive Director, Qatar Islamic Bank• General Manager, Industrial Development Bank• Director and founder, Arab Institute of Banking Studies

Dr. Safwan S. Toqan (Independent)

Education: Bachelor's degree in business administration, American University - Beirut, 1966, master's degree in economics, University of South California – USA, 1976, PhD in Economics, University of South California –USA, 1980.

- Previous Positions:**
- Member of the 26th Jordanian Senate
 - Chairman, Amman Stock Exchange (2012-2013)
 - Chairman, Jordan Phosphate Mines Company (2000 – 2004)
 - General Manager, Social Security Corporation (1994 – 1999)
 - Secretary General, Ministry of Planning (1989 – 1994)
 - Assistant Professor, Yarmouk University (1981 – 1989)
 - Lecturer, University of South California – USA (1975 – 1980)
 - Central Bank of Jordan (1966 – 1975)

Dr. Omar M. Al Jazy (Independent)

Education: PhD in International Arbitration Act, University of Kent- Canterbury, 2000, master's degree in law of International Trade, University of Kent – Canterbury, 1994, Bachelor degree in Law, University of Jordan, 1992, Diploma in Nuclear International Law, Universite De Montpellier, 2017

- Current Position:**
- Board Member, Government Investments Management Company
 - Board Member, Education and Scientific Research Management and Development Company
 - Board Member, Arab Foundation for Education, Scientific, Research Management Company
 - Board Member, Abdul Hameed Shoman Foundation
 - Chairman of the Board of Trustees, Amman Arab University
 - Managing Partner, Al Jazy & Co. – Advocates & Legal Consultants
 - International Arbitration

- Previous Positions:**
- President of the Jordanian Arbitrators Association
 - Board Member, Safwa Islamic Bank – until 01/2017
 - Board Member, Military Credit Fund
 - Member of the Board of Trustees Committees, King Abdullah II Fund for Development
 - Vice-Chairman, Jordanian Corporate Governance Association
 - Board Member, Aqaba Development Company
 - Board Member, Aqaba Airports Company
 - Board Member, Specialized Management Co. for Investment & Financial Advisory (12/2016 – 03/2021)

Board Committee Members:

Corporate Governance Committee Members

Dr. Marwan J. Muasher, Committee Chair (Independent)

Mr. Nasser A. Lozi (Independent)

Mrs. Nadia A. Rawabdeh (Independent)

Mr. Moustapha S. Chami (Non- Independent)

Risk Committee Members

Dr. Safwan S. Toqan, Committee Chair (Independent)

Mr. Nidal F. Qubbaj (Non- Independent)

Mr. Moustapha S. Chami (Non- Independent)

Mrs. Nadia A. Rawabdeh (Independent)

Compliance Committee Members

Dr. Omar M. Al Jazy, Committee Chair (Independent)

Mr. Hani K. Hunaidi (Independent)*

Mr. Marwan M. Awad (Non- Independent)

*Mr. Hani Khalil Hunaidi is the responsible Board Member for the AML/CFT compliance with the Central Bank of Cyprus.

Nominations & Remuneration Committee Members

Mrs. Nadia A. Rawabdeh, Committee Chair (Independent)

Dr. Safwan S. Touqan (Independent)

Mr. Masaud M. Hayat (Non - Independent)

Dr. Omar M. Al Jazy (Independent)

Board Credit Committee Members

Mr. Nasser A. Lozi, Committee Chair (Independent)

Mr. Masaud M. Hayat (Non – Independent)

Mr. Moustapha S. Chami (Non- Independent)

Mr. Majed F. Burjak (Non – Independent)

Mr. Nidal F. Qubbaj (Non- Independent)

Management and Investment Committee Members

Mr. Nasser A. Lozi, Committee Chair (Independent)

Mr. Masaud M. Hayat (Non – Independent)

Mr. Moustapha S. Chami (Non- Independent)

Mr. Majed F. Burjak (Non – Independent)

Mrs. Nadia A. Rawabdeh (Independent)

Information Technology Governance Committee Members

Mr. Majed F. Burjak, Committee Chair (Non - Independent)

Dr. Marwan J. Muasher (Independent)

Mr. Hani K. Hunaidi (Independent)

Mr. Nidal F. Qubbaj (Non- Independent)

Board Committee Meetings during 2022:

Audit Committee

The number of Audit Committee meetings during the year was (9), as follows:

Member	Audit Committee meetings								
	1 st 2/2	2 nd 10/2	3 rd 17/4	4 th 24/4	5 th 15/6	6 th 24/7	7 th 13/9	8 th 23/10	9 th 27/11
Mr. Hani K. Hunaidi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Safwan S. Toqan	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nidal F. Qubbaj – member until 16/10/2022	✓	✓	✓	✓	✓	✓	✓		
Mr. Marwan M. Awad – member as of 17/10/2022								✓	✓
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓	✓	✓	✓	✓

Nominations & Remuneration Committee

The number of Nominations & Remuneration Committee meetings during the year was (5), as follows:

Member	Nominations & Remuneration Committee meetings				
	1 st 23/1	2 nd 23/3	3 rd 26/4	4 th 20/7	5 th 19/12
Mrs. Nadia A. Rawabdeh	✓	✓	✓	✓	✓
Dr. Safwan S. Toqan	✓		✓	✓	✓
Mr. Masaud M. Jawhar Hayat	✓	✓	✓	✓	✓
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓

Corporate Governance Committee

The number of Corporate Governance Committee meetings during the year was (3), as follows:

Member	Corporate Governance Committee meetings		
	1st 23/3	2nd 25/7	3rd 18/12
Dr. Marwan J. Muasher	✓	✓	✓
Mr. Nasser A. Lozi	✓	✓	✓
Mr. Tariq M. Abdul Salam – member until 20/4/2022	✓		
Mr. Moustapha S. Chami – member as of 17/10/2022			
Mrs. Nadia A. Rawabdeh	✓	✓	✓

Risk Committee

The number of Risk Committee meetings during the year was (4), as follows:

Member	Risk Committee meetings			
	1st 26/4	2nd 14/6	3rd 18/9	4th 18/12
Dr. Safwan S. Toqan	✓	✓	✓	✓
Mr. Nidal F. Qubbaj	✓	✓	✓	✓
Mr. Moustapha S. Chami – member as of 25/10/2022				✓
Mrs. Nadia A. Rawabdeh	✓	✓	✓	✓

Compliance Committee

The number of Compliance Committee meetings during the year was (4), as follows:

Member	Compliance Committee meetings			
	1st 9/3	2nd 15/6	3rd 6/10	4th 27/11
Dr. Omar M. Al Jazy	✓	✓	✓	✓
Mr. Hani K. Hunaidi	✓	✓	✓	✓
Mr. Marwan M. Awad	✓	✓	✓	✓

Information Technology Governance Committee

The number of Information Technology Governance Committee meetings during the year was (4), as follows:

Member	Information Technology Governance Committee meetings			
	1 st 29/3	2 nd 25/7	3 rd 7/8	4 th 15/12
Mr. Majed F. Burjak	✓	✓	✓	✓
Dr. Marwan J. Muasher	✓	✓	✓	✓
Mr. Hani K. Hunaidi	✓	✓	✓	
Mr. Nidal F. Qubbaj	✓	✓	✓	✓

Management and Investment Committee

The number of Management and Investment Committee meetings during the year was (1), as follows:

Member	Management and Investment Committee meetings	
	1st	9/11
Mr. Nasser A. Lozi	✓	
Dr. Masaud M. Jawhar Hayat	✓	
Mr. Majed F. Burjak	✓	
Mr. Tariq M. Abdul Salam – <i>member until 20/4/2022</i>		
Mr. Moustapha S. Chami – <i>member as of 17/10/2022</i>	✓	
Mrs. Nadia A. Rawabdeh	✓	

Board Credit Committee

The number of Board Credit Committee meetings during the year was (29), as follows:

Member	Board Credit Committee meetings																		
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th
Mr. Nasser A. Lozi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Masaud M. Jawhar Hayat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Majed F. Burjak	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tariq M. Abdul Salam – <i>member until of 20/4/2022</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓									
Mr. Moustapha S. Chami – <i>member as of 17/10/2022</i>															✓	✓	✓	✓	✓
Mr. Marwan M. Awad – <i>member until 16/10/2022</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nidal F. Qubbaj – <i>member as of 17/10/2022</i>																			

Member	Board Credit Committee meetings									
	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	29th
Mr. Nasser A. Lozi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Masaud M. Jawhar Hayat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Majed F. Burjak	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tariq M. Abdul Salam – <i>member until of 20/4/2022</i>										
Mr. Moustapha S. Chami – <i>member as of 17/10/2022</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Marwan M. Awad – <i>member until 16/10/2022</i>	✓	✓								
Mr. Nidal F. Qubbaj – <i>member as of 17/10/2022</i>			✓	✓	✓	✓	✓	✓	✓	✓

Audit Committee meetings with the External Auditor and Head of Compliance:

The Audit Committee met with the External Auditor four times during the year, and met with Head of Compliance once.

Board Meetings during 2022:

The board met (9) times during the year, as follows:

Member	Board meetings								
	1st 12/2	2nd 12/2	3rd 1/4	4th 27/4	5th 26/6	6th 26/7	7th 20/9	8th 25/10	9th 21/12
Mr. Nasser A. Lozi – Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Faisal H. Al Ayyar – Vice Chairman	✓	✓			✓				✓
Mr. Masaud M. Jawhar Hayat	✓	✓	✓	✓	✓		✓	✓	✓
Mr. Tariq M. Abdul Salam – member until 20/4/2022	✓	✓	✓						
Mr. Moustapha S. Chami – member as of 22/6/2022					✓	✓	✓	✓	✓
Mr. Marwan M. Awad	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nidal F. Qubbaj	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Bijan Khosrowshahi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Marwan J. Muasher	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Hani K. Hunaidi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Majed F. Burjak	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Safwan S. Toqan	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Nadia A. Rawabdeh			✓	✓	✓	✓	✓	✓	✓

* Board members attended the General Assembly of Shareholders that was held on 27/4/2022. Noting that the General Assembly of Shareholders, board meetings, and board committee meetings were conducted virtually, pursuant to the instructions for approving electronic means for procedures related to companies for the year 2021.

Board Members' Remuneration

Every Board member receives the sum of JD5,000 (USD7,052) per year as Board membership allowance according to the Companies Law, in addition to allowances in lieu of travel, transportation and Board committees' membership.

Nasser A. Lozi
Chairman

