
Corporate Governance Guide

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Introduction

The Jordan Kuwait Bank defines Corporate Governance as a system through which the Bank is managed and run. This system aims at identifying and achieving the corporate objectives of the Bank, managing the Bank's business safely, protecting the depositors' interests, being committed by due diligence responsibility towards shareholders and other stakeholders and abiding by laws and the Bank's internal policies.

Jordan Kuwait Bank perceives corporate governance as the key to win the confidence of the customers and other parties interested in JKB. Corporate Governance is the methodology through which JKB manages its interrelations and relations with the other involved parties.

JKB believes that the existence of good corporate governance will result in good management of the Bank and help to achieve the Bank strategic objectives. Moreover, JKB has an absolute belief that the presence of good governance at all Jordanian institutions will lead to have efficient institutions and provide the appropriate competitive environment, and so support the national economy in general. As banks play an important role in the financial system, and their businesses depend on their customers' deposits, it is therefore of high importance that they should have good corporate governance.

In view of that, the Board of Directors (BoD) of JKB decided to adopt the Corporate Governance Guide ("the Guide") which has been prepared according to the best international standards in this regard and based on the instructions of the Central Bank of Jordan (CBJ) and other regulatory authorities. By adopting this guide, JKB aims at implementing the principles of corporate governance represented in fair treatment of all relevant stakeholders, transparency and disclose JKB's actual financial and administrative position, in addition to accountability in terms of the relations between the BoD and executive management, BoD and shareholders, and BoD and other entities. JKB provides the approved version of the Guide on its website www.jkb.com

This guide reflects JKB requirements and policies approved by BoD. The Guide provisions shall be applicable to BoD, senior executive management, and staff. JKB adopts strategies, policies, and administrative structures of its subsidiaries within the framework of sound governance.

Definitions:

Corporate Governance: The system by which the Bank is directed and managed, and which aims at identifying and achieving the Bank's Corporate goals, managing the Bank's operations safely, protecting the interests of depositors, committing to the responsibility due towards shareholders and other stakeholders, and the Bank's commitment to legislations and the Bank's internal policies.

Adequacy: The availability of specific requirements related to honesty, integrity, reputation, competence, and qualifications in persons nominated for membership of the Bank's Board of Directors, and its senior executive management.

Stakeholders : Anyone with interest in the bank, such as depositors, shareholders, employees, creditors, clients, or relevant control bodies.

Main Shareholder: the person controlling at least (5%) of the bank's capital.

Independent Director: a member of the Board of Directors who is not a main shareholder, and who is not under the control of any of them, and who has financial or banking qualifications or experience, and who meet the conditions set out in Banks Corporate Governance Instructions.

Senior Executive Management : Includes the Bank's top positions specified in the Banking Law and the Corporate Governance Instructions issued by the Central Bank of Jordan, other instructions, and legislations to which the Bank is subject.

Advisory Site: a site where the occupant and the Bank have a contract or agreement for the provision of temporary advisory services or under an annual contract.

Cybersecurity: The measures taken to protect information systems, networks, and critical infrastructure from cybersecurity incidents, and the ability to restore their operations and continuity in case of unauthorized access, misuse, failure to follow security procedures, or deception leading to such.

Emerging Technologies: Technologies that are still in the development or early adoption stages and have the potential to significantly impact the economy, society, and national security but have not yet reached full maturity in terms of standards and regulatory frameworks.

Acceptable Risk Level: The risk level that the bank is willing to accept to achieve its strategic objectives and executive plans while ensuring compliance with regulatory requirements, protecting depositors' rights, and safeguarding shareholders' interests.

JKB Corporate Governance Objectives

JKB aims at achieving the best standards of business ethics covering all the Bank's business aspects through disclosing JKB results accurately and transparently, and complete abidance by the various laws and regulations that govern JKB work.

Legal framework and sources of corporate governance

In preparing the Corporate Governance Guide, the Bank relied on the following:

- Banking Law In force.
- Companies' Law in force.
- Securities Law in force and the instructions of the Securities Commission.
- Deposit Insurance Law in force.
- Regulations and instructions issued under the above mentioned laws and any subsequent amendments thereof.
- Instructions for Corporate Governance for Banks issued by the Central Bank of Jordan
- Basel Committee relevant publications.
- OECD countries and the World Bank publications on corporate governance.
- Accounting Standards and International Financial Reporting Standards employed by investors to hold the management accountable.
- Laws in force in countries where JKB has branches and within the limits of JKB business.

In addition to the laws protecting the rights of shareholders, depositors and stakeholders.

Corporate Governance Related Parties

1. Shareholders

JKB framework of governance is dedicated to protecting shareholders' rights along with serving and fairly treating them, particularly in the light of the laws, regulations and instructions issued by the regulatory authorities. The same also applies to JKB policies and procedures.

2. BoD Members

BoD members, on behalf of the shareholders, manage JKB under the various laws which define their duties and responsibilities (such as, Companies Law, Banks Law ... etc.

3. Employees

All JKB employees, respectively, are held responsible for the implementation of the internal control procedures as part of their responsibilities in achieving the objectives of the Bank.

JKB employees should have the necessary information, skills, knowledge and authority to carry out JKB businesses. Indeed, this requires full understanding of the Bank, the industry, the market and the risks associated therein.

Through the employees' pursuit to achieve these requirements, they will positively contribute to JKB performance and achievements, and this will lead to job security and satisfaction.

4. Creditors

The different parties that are related to JKB, through contractual relations such as customers, suppliers and creditors.

Organizational Structure

Part of BoD duties is to approve an organizational structure consistent with the nature of JKB activities, to ensure that there are sufficient regulations to implement the adopted strategy, to facilitate effective decision-making process and to implement good corporate governance through:

- Clear and transparent organizational structure.
- Specific targets for each administrative unit.
- Job's specific duties and responsibilities for each administrative unit.
- Authorities, reporting lines and direct supervision channels designated for different managerial positions, as well as proper tasking/ tasks segregation.
- Manuals, policies and work procedures appropriate to execute and supervise operations, particularly defining a job description for all levels of jobs within the organizational structure, including qualifications and experience of staff holding each position.
- Ownership structure which does not hinder corporate governance.
- Independent departments to perform the functions of risk management, audit and compliance.
- Units and employees that are not involved in the daily operations of JKB activities (such as the employees of Credit Review and Middle Office).

BoD Members

- a. The Bank's Board of Directors shall consist of, at least, thirteen members and five of them should be independent Directors as defined by the governance instructions issued by the Central Bank of Jordan on independent member.
- b. BoD develops a clear and appropriate policy for its members which is consistent with the laws and regulatory requirements.
- c. Neither the Chairman nor the member of the Board shall hold any executive or any other position which he is involved in the management of the day-to-day running of the Bank, or any advisory position in the Bank.
- d. The chairman of the board, board members, or main shareholders may not be connected to the general manager with a familial relationship below the fourth degree.
- e. The Chairman of the board, board members, or main shareholders must not be connected to any of the members of the senior executive management with a familial relationship below the second degree.
- f. Consideration should be given to the diversity of the council's composition in terms of expertise, professional backgrounds, age, and gender should be taken into account so that the skills and experiences of the members complement each other, enhancing the quality of decision-making and aligning with the size (or banking group) and nature of the bank's activities and strategy..
- g. The Board must have appropriate knowledge of climate-related financial risks that may affect the Bank.
- h. The bank shall ensure the representation of women on the board, in accordance with the orders issued by the Central Bank in this regard.
- i. A Board Skills Matrix is prepared which includes individual and collective assessment of members and identifies skill and experience gaps; it should be updated annually

and provided to the central bank after being approved by the council, along with the intended procedures to address these gaps and the necessary timeframe.

BoD Responsibilities

BoD is responsible for the implementation of the Central Bank, and the requirements besides other supervisory and regulatory requirements relating to JKB businesses, care for stakeholders, and the Bank is managed within the framework of its internal rules and policies, and the effective control over JKB activities is always in place, including JKB activities delegated to third-parties. And the BoD shall take due diligence measures when deciding on any issues related to the Bank business and shall take into consideration sound bases to reach the decision taken in this regard in a manner that ensures the performance of its duties at the highest standards of professionalism. To achieve all of that, members of BoD and their committees are allowed to have a direct contact with the executive management and BoD Secretary, while ensuring that none of the board members influences the decisions of the executive management, except through deliberations which take place during the board meetings or those of the committees emanating from it.

BoD Tasks and Duties

Given the terms of reference and powers of JKB General Assembly, the elected BoD by the General Assembly shall carry out the duties and responsibilities of managing JKB activities for a period of four years effective the date of election. BoD tasks and duties include, but are not limited to:

I. In the area of general supervision, control and draw JKB strategies:

1. Overseeing executive management and adopting a policy to monitor and review its performance to achieve the corporate objectives and ensure soundness of all Bank operations.
2. Determine the strategic objectives of the bank; direct the executive management to prepare the policies, plans and programs necessary to achieve these strategic objectives; and adopt for their implementation. Approving the Bank general organizational structure.
3. Approving the organizational structures of the supervisory departments (Internal Audit, Risk management, Compliance Department).
4. Ensuring the existence of policies, plans and procedures covering all JKB activities which are consistent with the relevant laws, and that they are communicated to all administrative levels, and are regularly reviewed.
5. Determine the bank's institutional values; draw clear lines of responsibility and accountability, and adopt a risk responsibilities map that clarifies the distribution of tasks and powers for all bank activities, and entrench a high culture of ethical standards, integrity and professional conduct for the bank's administrators.

II. In the area of policies, instructions, strategies and controls to be endorsed by BoD:

6. Approving appropriate policies and procedures to supervise and control JKB performance.

7. Approving a set of clear boundaries of responsibility and accountability to be committed to, and abided by, all levels of JKB management.
8. Approving an effective policy to ensure the adequacy of BoD members “fit and proper”. The policy should include minimum criteria, and conditions that the BoD candidate and appointed member should have. The policy should be reviewed from time to time and when necessary. BoD should develop adequate procedures and systems to ensure that all BoD members meet relevance standards and that they continue to enjoy them.
9. Approving a policy to ensure the adequacy of the members of senior executive management so that this policy includes minimum criteria, and conditions of laws in force on senior executive management. BoD reviews this policy from time to time, establishes sufficient procedures and systems to ensure that all members of the senior executive management meet the relevance standards and that they continue to enjoy them.
10. Approving a system for evaluating the work of the board and its members, as well as adopting a system to measure the performance of bank’s administrators other than members of the Board of Directors and the Group CEO.
11. Approving a policy control conflict of interest in all its forms, including those arising as a result of JKB partnerships with companies of the group, and approving the necessary procedures to ensure the adequacy of internal controls and oversight to monitor compliance with the policy and prevent violations of it.
12. Approving policies and procedures for dealings with stakeholders, so they include identifying these parties, taking into consideration the laws, transactions terms, approval procedures and a mechanism to monitor these transactions, so as not to go beyond these policies and procedures.
13. Approving the controls for information transfer among various departments to prevent exploiting them for personal advantages.

III. What BoD should verify:

1. Ensure the existence of adequate and reliable management information systems which cover all JKB activities.
2. Verify that the credit policy includes (assessing the quality of corporate governance of its public shareholding companies’ clients, so that clients' risks are assessed by identifying their strengths and weaknesses according to their governance practices, indicating the banks compliance with the requirements of the credit exposure classification instructions and calculating a provision for them).
3. Ensure that the organizational structure clearly reflects borders of responsibility and authority.
4. Ensure that senior executive management performs its responsibilities related to the management of JKB daily operations, contributes to the implementation of corporate governance at the Bank, delegates powers to the staff, establishes an effective management structure that boosts accountability and that they carry out tasks in various areas and activities of JKB businesses in a manner that is consistent with the policies and procedures approved by BoD.
5. Ensure that the executive management enjoys a high level of integrity in

exercising its business and avoid conflicts of interest, and objectively implements the approved policies and procedures.

IV. BoD duties in the area of recruitment, appraisal and rewards:

1. Appointing a general manager enjoys qualities of integrity, technical competency and banking expertise, after obtaining the Central Bank of Jordan's "No Objection" prior to his appointment.
2. Approve, based on the recommendations of the special committee, the appointment/transfer/promotion/assignment of any executive management member, to be obtained the Central Bank of Jordan's "No Objection".
3. Approve, based on the recommendations of the special committee, the resignation or service termination, of any executive management member. As for the resignation or service termination of the General Manager, the internal Audit manager, the Risk Management manager, and the Compliance manager. CBJ's "No Objection" should be obtained,
4. Forming committees from BoD members, defining their objectives and delegating powers according to a charter identifying such powers. Committees should submit periodic reports to BoD.
5. Endorsing a succession plan for senior members of the executive management of the bank. BoD should review this plan once a year at least.
6. Appoint a Secretary to the Board of Directors, terminate his services, and determine his remuneration, The following conditions must be met by anyone appointed as a secretary to the Board:
 - a. Good conduct and behavior.
 - b. Holds at least a bachelor's degree in one of the following fields: (law; accounting; finance; business administration).
 - c. Has at least (5) years of practical experience in banking, legal affairs or corporate governance work.
 - d. Deep knowledge of the Companies Law, Banks Law and applicable legislation.
 - e. High skill in preparing and documenting meeting minutes and reports accurately and objectively.
7. annually evaluate the performance of the General manager in accordance with an appraisal system prepared by the Nomination and Remuneration Committee and approved by the Board including setting key performance indicators The criteria for evaluating the performance of the General manager shall include as a minimum the financial and administrative performance of the Bank in relation to the risk profile, the extent to which it achieves the medium and long term plans and strategies of JKB, Weights shall be assigned to each of the assessment items and the Committee shall inform the Central Bank of the outcome of this assessment.
8. Establishing procedures to determine BoD members' remunerations in accordance with the approved appraisal system.
9. Ensuring the relevance of BoD members and members of the senior executive management in accordance with the JKB adopted policies and laws and

regulations in force.

10. Adopt a system to evaluate its work and that of its members, providing this system includes, as a minimum, the following:
 - Establish key performance indicators that derived from the plans and strategic objectives, for used to measure the board's and committees' performance.
 - Communication between the board of directors and the shareholders and maintaining this communication periodically.
 - Periodical meetings between the board of directors and the senior executive management.
 - The member's role in the board of directors' meeting, and comparing his performance with that of others. Feedback must be obtained from the relevant member for the purpose of improving the evaluation process.
 - The extent to which the member has developed his knowledge of banking operations through his participation in training programs.
11. Adopt a system to measure the performance bank's administrative staff other than members in the board of directors, and the general manager, taking into account the performance indicators that differ according to the nature of the work of the Department sand the extent to which they achieve their objectives, provided this system includes the following as a minimum:
 - An adequate weighted value is given to measure compliance performance in the work frame of risk management, and the Compliance Department implementing internal control and organizational requirements.
 - That the total income or profit is not the only element to measure performance, the need to taking into consideration also other elements to measure the performance of administrators, such as risks resulting from basic operations, and achievement of each Department' s objectives and annual plans in addition to measuring customer satisfaction, wherever this is applicable.
12. In case the Board deems this necessary and for clear and specific justifications the Board may appoint an advisor provided that this is within the scope of tasks consistent with the nature of the work of the Consultant provided that this does not include supervisory or executive duties in any way and that this is within a specific time frame and without prejudice to the Board's supervision mission the activities of the Bank in line with its functions stipulated in the legislation Provided that a no objection from the Central Bank is obtained for this appointment.

V. BoD Duties in the Area of Disclosure and Publication:

1. Ensure that the Corporate Governance Guide is published on JKB website and in any other manner appropriate for the public.
2. Ensuring the allocation of a part of JKB website to give details on the shareholders' rights and encourage them to attend and vote at the General Assembly meetings, as well as publishing documents related to meetings, including the full text of the invitation and minutes of meetings.
3. Ensuring that the financial and non-financial information of interest to stakeholders

is published in a timely manner.

4. Ensuring that JKB abides by disclosures set by the International Financial Reporting Standards (IFRS), International Accounting Standards(IAS), instructions of the Central Bank of Jordan, other relevant laws and international accounting standards. BoD should also ensure that the executive management is aware of changes taking place to the international financial reporting standards.
5. Ensuring to include disclosures in JKB annual and quarterly reports which give the current or potential shareholders an access to JKB operations results and financial position.
6. Ensuring that the annual report includes the following as a minimum:
 - The general organizational structure of the bank.
 - A summary of the functions and responsibilities of the board's committees.
 - The Banks' Corporate Governance guide and Information important to stakeholders as shown in, and the extent to which it is committed to implementing what was mentioned in the guide.
 - A text stating the responsibility and approval of the Board for the accuracy and adequacy of the financial statements of the Bank and the information contained in the report and the adequacy of internal control and systems.
 - Information about each member of the board of directors, his qualifications and experience, and the amount of his contribution in the bank's capital, and whether he is independent or not, his membership in the board's committees, the date of his appointment, any membership he enjoys in the boards of directors of other companies, all forms of bonuses he received from the bank for the previous year, loans extended to him by the bank, and any other operations concluded between the bank and the member or the parties related to him.
 - Information about the risk management department, including its organization, the nature of its operations, and the developments taking place in it.
 - Number of times the board of directors met, its committees, and the number of times each member attended these meetings.
 - Names of each member of the board of directors and the senior executive management who resigned over the year.
 - A summary of the bank's bonus-granting policy, disclosing all types of bonuses and awards to the board of directors' members separately, as well as bonuses granted to members of the senior executive management separately, for the past year.
 - The main shareholders of the Bank and in the companies that contribute mainly in the Bank
 - Names of shareholders who own (1%) or more of the bank's capital, specifying the ultimate beneficial owners of these contributions or any part thereof, clarifying if any of these contributions is totally or partially mortgaged.

- Affirmations from all board members that the member did not receive any undisclosed benefits through his work at the bank, whether these benefits are material or tangible, and whether they were for him personally or for anyone related to him, for the previous year.
7. Providing a specific mechanism to ensure communication with stakeholders through disclosures and providing significant information on JKB activities to those stakeholders through the following:
 - General assembly meetings.
 - Annual report.
 - Quarterly reports that contain financial information, in addition to the board's report on the bank shares dealings and its financial position during the year.
 - The bank's website.
 - Shareholders' relations section.
 8. Develop a mechanism for receiving complaints and proposals submitted by the shareholders, including their proposals to include specific topics on the agenda of the meeting of the General Assembly and take appropriate decision thereon.
 9. Establish a mechanism to allow shareholders holding at least 5% of the shares to add items on the agenda of the Ordinary General Assembly before sending it to the shareholders.

VI. BoD duties in the Area of Internal and External Audit:

1. Adopting the necessary procedures to enhance internal audit effectiveness through: displaying the due importance of the audit process, consolidating it in the Bank.
2. Ensuring that the Internal Audit Department is able to carry out its tasks, it has the qualified staff and be certain to provide the Department constantly with appropriate and trained employees.
3. Ensuring and enhancing the principle of internal auditors' independence, placing them at adequate level in JKB's organization structure, ensuring they have access to all records and information and the ability to contact any JKB administrator, so that they are able to fulfill the tasks entrusted to them and prepare their reports without any external interference.
4. Adopting an internal audit code which includes duties, authorities, and working methodology of the Audit department.
5. Verifying that the Internal Audit Department is subject to the direct supervision of the Board Audit Committee, and it reports directly to the Chairman of the Audit Committee.
6. always Ensuring the external auditor's independence, to ensure that there is no conflict of interest between the Bank and the external auditor.
7. Ensuring a regular rotation of the external auditor each seven years at maximum, provided that the external auditor shall not be changed during the contracting period except after obtaining the approval of the Central Bank and

based on substantial reasons, and it is not permissible to re-elect the old office again before at least three years have elapsed from the date of its last election at the Bank.

8. Approving External Auditing Policy.

VII. BoD Duties in the Area of Compliance:

1. Approving a policy to ensure JKB compliance by all relevant laws.
2. Approving the duties and responsibilities of Compliance Control Department.
3. Ensuring Compliance Control Department independence by submitting its reports to the Compliance Committee.
4. Approving the appointment of a Personal Data Protection Monitor.

VIII. BoD Duties in the Area of Risks:

1. Approving a strategy for risk management that includes a framework for a risk culture and monitoring its implementation. Such a strategy should include an acceptable level of risk, and ensure not exposing the Bank to high risks. BOD shall have an appropriate knowledge of JKB operational environment and risks associated with it. BoD should ensure that JKB has the tools and infrastructure designated for risk management that are able to identify, measure, control and monitor all types of risk faced by the Bank.
2. Approving an Internal Capital Adequacy Assessment document. Such a process should be comprehensive, effective and able to identify all risks that JKB may encounter, and that it takes into consideration JKB strategic plan and capital plan. BoD should review this process regularly, verify its implementation, and validate that JKB maintains adequate capital to encounter all risks it may face.
3. Approving JKB acceptable risk document.
4. Approving the risk management policies covering all Bank operations, and setting clear limits for each type of risk.
5. Approving a comprehensive framework for crisis management and recovery, including Business Continuity Plans.
6. Approving The risk management framework of JKB.
7. Verifying that violations on acceptable levels of risk are addressed, including holding the senior executive management accountable for such violations.
8. Ensuring that the Risk Management Department conducts stress testing periodically to measure JKB ability to withstand the shocks and cope with high risks. BoD should play a key role in approving assumptions and scenarios used and discuss the tests results, as well as approving actions to be taken based on these results.
9. Ensuring Risk Management Department independence through submitting its reports to the Risk Management Committee, and granting the Department the necessary powers to be able to obtain information from other JKB departments and to cooperate with other committees to carry out their duties.
10. Adopting a strategy that outlines the Bank's approach and procedures for early identification of credit exposures that may be classified or classified into non-operating categories and the mechanism for monitoring them, and ensuring that the executive management develops the necessary procedures to implement

that strategy and adopt performance indicators to monitor its effectiveness.

11. Ensure the provision of the necessary resources to implement the strategy of early identification of credit exposures that may be classified or have been classified and ensure the existence of an integrated system of control and control, including the existence of automated rating systems.
12. Approving the procedures for the periodic evaluation of credit risk mitigators from collateral pledged in favor of the bank, including real estate guarantees and criteria for approving external real estate estimators.
13. Ensure the establishment of a unit, department or team specialized in managing climate risks to which the Bank may be exposed within the risk management department.
14. Ensure that climate-related financial risks are appropriately taken into account as part of the Bank's business strategy and risk management strategy.
15. Adopt policies and procedures within the risk management strategy to identify, assess and manage climate-related financial risks and review them annually or as often as needed in response to emerging climate-related financial risks and regulatory requirements.

IX. BoD Duties in the Area of Sustainability and Environmental and Social Governance (ESG):

1. Establish a policy that includes the bank's responsibility towards protecting the environment and society (Environmental and Social Policy), and the bank's disclosures in its annual report and/or within the sustainability report should include the initiatives adopted by the bank in this regard.
2. Oversee the integration of sustainability principles and standards into the bank's strategy and risk management strategy within its institutional governance and risk management framework; adopt policies and monitor performance.
3. Reviews the bank's sustainability performance annually and continuously improves it.

X. BoD Duties in the Area of Information technology Governance, Cybersecurity, Financial Technology, Emerging Technologies and Digital Transformation:

1. Overseeing information technology risks, cybersecurity, financial technology, emerging technologies, and digital transformation in line with and integrated into the bank's overall comprehensive risk management framework so as to include an acceptable risk level.
2. Adopt information technology strategies, cybersecurity, financial technology, emerging technologies, and digital transformation, ensuring their alignment with the bank's strategic objectives; and establish specialized functional levels in financial technology and digital transformation.

Duties of the Chairman of the Board:

1. To establish a constructive relationship between BoD and JKB senior executive management.
2. Encourage the express an opinion on issues discussed in general and issues were members have various views regarding them, and to encourage debate and vote

on those issues.

3. Ensure that all BoD members receive and sign the minutes of previous meetings, and that they receive the agenda of any meeting in advance providing that the agenda includes sufficient written information about topics that will be discussed at the meeting. The Secretary of the Board shall deliver the meeting agenda.
4. Ensure the existence of the code that regulates and sets out BoD scope of work.
5. Discuss the strategic and significant issues in BoD meetings extensively.
6. Ensure provide each BoD member upon being elected with the provisions of laws related to banks activities and the Central Bank instructions related to the work of BoD, including corporate governance instructions, the booklet which explains the member's rights, and duties, and duties of the BoD Secretary.
7. Ensure provide each member with a sufficient summary of JKB businesses upon appointment or upon request.
8. To discuss with any new member, with the assistance of JKB legal adviser/Director of the Legal Department and the Board secretary, on the BoD duties and responsibilities, particularly the legal and regulatory requirements. This is to be done to clarify the duties, powers and other issues related to BoD membership, including the membership term, dates of meetings, committees' duties, rewards, and the possibility to seek an independent specialized technical advice, if required.
9. To meet the BoD members' needs regarding the development of their experience and their continuous learning. Chairman may allow the new member to attend orientation program taking in consideration the member's banking background. The program must cover the following topics as a minimum:
 - a. The Bank's organizational structure, corporate governance and the Code of Professional Conduct.
 - b. Institutional objectives and the Bank's strategic plan and its approved policies.
 - c. Financial conditions of the Bank
 - d. The Bank's risk structure and risk management framework.
10. To address an invitation to the Central Bank to nominate a representative to attend the General Assembly meetings prior enough time.
11. To provide the Central Bank with the minutes of meetings of the General Assembly no later than five days as of the date of the Companies' Controller or his/her representative endorsement of the minutes of meeting. Ensure informing the Central Bank of any material information that could adversely affect the relevance of any members of BoD, and the suitability of the representative of a legal person, or executive management.

Duties of BoD Member:

1. To have adequate knowledge of laws and principles of JKB banking and operational environment, cope with developments taking place, besides the external developments related to its business.
2. To attend BoD and its committee's meetings, and the General Assembly meetings, as needed.
3. Not to disclose any JKB confidential information or using them for their or others interest, and the representative of the legal person shall not disclose any confidential

information circulated during the meetings of the Board and its committees to any person including any administrator of the legal person.

4. To give the priority for JKB interests in all transactions with any other company in which he has a personal interest, not to take JKB business opportunities to his own advantage, and to avoid conflict of interest.
5. Disclose to the board in detail of any conflict in interests in case they existed, committing not to attend or participate in the decision taken in the meeting in which this issue is deliberated, and to record this disclosure in the minutes of any meeting of the Board or its committees.
6. Allocate sufficient time to carry out his duties as a member of the Board of Directors

The Board Secretary

1. To attend all BoD meetings, record all the deliberations, suggestions, objections, reservations and vote processes on BoD draft decisions accurately.
2. To determine dates of BoD meetings in coordination with the Chairman.
3. To ensure that BoD members sign the minutes of meetings and decisions.
4. To follow up the implementation of BoD decisions and to follow-up any pending issues from the previous meeting.
5. To keep records and documents of BoD meetings.
6. To take the necessary measures to ensure that draft decisions planned to be issued by BoD comply with relevant laws, including those issued by the Central Bank.
7. To prepare for the General Assembly meetings and to cooperate with the BoD committees.
8. To provide the Central Bank with the relevance declarations for BoD members.

BoD Meetings

- a. BoD shall convene at a written notice of the Chairman, or Vice-Chairman if he/she is absent, or upon a written notice submitted by a quarter of its members to the Chairman justifying the grounds for such a meeting. If the Chairman or Vice-Chairman do not call for a meeting within seven days effective as of the date of receipt of notice, members who submitted the notice shall have the right to call BoD to convene.
- b. BoD shall convene with the presence of an absolute majority of members at JKB head office or in any other place within the territories of the Kingdom if it is impossible to hold it at JKB head office. BoD decisions shall be issued with absolute majority of members who attend the meeting. If votes are equal, the chairman of the meeting shall be deemed a casting vote.
- c. Board members shall attend Board meetings in person or through electronic means.
- d. Voting on BoD decisions shall be in person or through electronic means and carried out by the persons themselves and it could not be by proxy. The minutes may be signed electronically.
- e. In the event that the meeting is held through electronic means, the Chairman of the Board and/or Vice Chairman in his absence and the board secretary shall approve the minutes of the meeting and hold it legally.
- f. BoD meetings shall be held six times at least per fiscal year. There should be a

meeting for the BoD every two months.

Responsibility and Accountability Limits

- Take the necessary steps to create a clear separation between the authorities of the main shareholders on one side, and the executive management on the other, create adequate mechanisms to reduce the effect of main shareholders . And the top executive management derives its authority from the board only, and work within the mandate granted to it by the board.
- JKB organizational structure shall specify the administrative hierarchy and reflect the lines of responsibility and authority in a clear and detailed manner.
- In addition to what is stated in laws, the General Manager shall act as follows:
 1. Develop JKB strategic direction.
 2. Implement JKB strategies and policies.
 3. Execute BoD decisions.
 4. Provide guidance to implement short and long term action plans.
 5. Establish the mechanisms for delivering JKB vision, mission and strategy to the staff.
 6. Inform BoD of all the significant aspects of JKB operations.
 7. Manage JKB day-to-day operations.
 8. Approving a detailed description of the functions of each Regulatory Unit except for the Supervisory Departments (Internal Audit, Risk Management, Compliance Department) which must be approved by the Competent Committee, it shall be reviewed by all JKB employees each according to his specializations.

The Board Committees:

- To further organize the work of BoD and increase its efficiency and effectiveness, BoD forms various committees from its members, and adopting a charter for each committee including as a minimum the composition of the committee its tasks and powers and the periodicity and quorum of its meetings.
- BoD nominate a secretary for each committee and specify his duties, including the recording of all deliberations motions objections and reservations and the precise manner of voting on the committee’s draft resolutions
- The committees must submit periodical reports to the Board as stipulated in their charters. The existence of these committees does not absolve BoD to assume direct responsibility for all matters relating to JKB.
- No member of the Board shall not serve as chairperson of more than one of the following committees (Audit, Risk, Compliance, Nomination & Remuneration, and Corporate Governance). Also prohibited from serving as chairperson of more than two committees of all Board committees. The Chairperson of the Board Audit Committee shall not be the Chairperson of any other committee emanating from the Board.
- Board committees have the following authorities:
 - Request any data or information from bank staff who must cooperate to provide this data in a complete and accurate manner.

- Request legal, financial, administrative, or technical advice from any external consultant.
- Request the presence of any bank employee to provide any necessary clarifications.
- It's prohibited to delegate any of the powers of any of the committees emanating from the Board to any other authority.
- The Board may not delegate any of its powers to any of its subcommittees.
- It's prohibited to form any committee that has any executive powers except for the Credit Committee.
- The members of the Boards committees may attend the committee meetings by any means of video telephony provided that the Committee Chairperson and the Secretary approve the minutes and quorum of the Committee meeting.
- With the expectation of the Credit Committee, the quorum of any committee shall not be less than three members including the Chairperson of the committee, its also not permissible to use the nomination of an alternate member in the meeting of any committee in the event of the principal's absence.

A. Board Audit Committee:

Committee's Role:

The Board Audit Committee is tasked to carry out the following, in addition to other relevant functions stated in its Charter. The Charter stipulates the right of the committee to get any information from the executive management or through the Director of Internal Audit, and its right to . The Audit committee's tasks may not be merged with the tasks of any other committee.

1. The Committee shall review:
 - a. The scope, results and the adequacy of JKB internal and external audit
 - b. Accounting issues that have a significant impact on JKB financial statements
 - c. JKB internal control and monitoring systems.
2. Provide recommendations to BoD regarding the external auditor's appointment, termination, fees and any other related contracting terms, including any other tasks that the Committee intends to assign to the External Auditor, in addition to assessing its independence.
3. Verify the independence of the external auditor during the initial and continuing contracting period to ensure that there is no conflict of interest between the Bank and the External Auditor.
4. Meet with the External Auditor, the Head of Internal Audit, and the Compliance Manger (separately) once at least annually without the attendance of any of the other senior executive management members.
5. Review and monitor procedures that enable the employee to report confidentially any mistake in financial reports or any other matters. The Board Audit Committee shall ensure implementing the necessary arrangements for carrying out an independent investigation and follow the results of the investigation and treat them objectively.
6. Review the internal audit report which ensure that all related party transactions with JKB have been carried out in accordance with the applicable legislations and

the Bank's internal policies and approved procedures, and immediately notify the Central Bank of any violation of the applicable legislation and internal policies in this regard.

7. Ensure that the internal audit staff rotate in auditing the activities of JKB every three years at the latest. In case of inability to achieve this in certain areas the approval of the Committee will be taken on the justifications for non-compliance especially in specialized cases such as information technology and cyber security audits.
8. Verify not to task internal audit staff with any executive duties.
9. Verify that all JKB activities – in accordance with the risk based approach - including outsourced activities assigned to third parties, are subject to audit.
10. Verify that the Internal Audit Department complies with the international standards for the professional practice of internal auditing issued by the association of internal auditors, including conducting an independent external evaluation of the internal audit activity at least once every five years.
11. Approve a detailed description of the responsibilities and functions of the internal audit department.
12. Approve comprehensive operating procedures for all internal audit activities.
13. Recommend to the BoD to approve the internal audit organizational structure.
14. Ensure the availability of sufficient resources and enough qualified human employees for the Internal Audit Department and subject them to specialized training programs including in the field of corporate governance.
15. The Board Audit Committee shall exercise the role entrusted to it under the Banks Law and other relevant laws. This should include particularly the following:
 - Review and approval of the internal audit plan which includes audit scope and frequency.
 - Ensure that the executive management takes the corrective actions on a timely manner regarding weaknesses in the internal control, and cases of non-compliance with policies, laws and regulations, and other remarks identified by the internal audit.
 - Review observations stated in the regulatory authorities and external auditor reports and follow-up the correction procedures.
 - Review JKB financial statements prior submitting them to BoD, particularly to verify regulatory authorities' orders on capital adequacy, adequacy of provisions taken against the bad debts and all other provisions and to express their opinion in JKB non-performing debts or debts proposed to be deemed as bad debts.
 - Ensure that the laws and regulations governing JKB work.
16. Evaluate the performance of the Director of the Internal Audit Department and determine his remuneration in line with the performance appraisal policy approved by the Board.
17. Verify the qualifications and effectiveness of the External Auditor and shall ensure that the engagement letter clearly states the scope of the audit remuneration contract term and any other conditions in a manner that is commensurate with the nature of JKB the size of its business and the complexity and risks of its operations.

The Head of Internal Audit Department may attend the Committee meetings, and the

Committee may invite any person to seek their opinion on a particular issue.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its chairperson appointed by a decision of the Board of Directors. It shall consist, at least, of three members, the majority of them including the Committee chairperson, provided that the chairperson is not chairperson of any other committee emanating from the Board, also not include the Chairman of the Board.
- The majority of the members of the Committee should hold academic qualifications in accounting, finance or hold a professional certificate in both fields, and have relevant work experience in accounting, finance, external audit, internal audit or banking.
- The Audit Committee shall meet at the invitation of its Chairperson at least once every three months, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors.
Its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

B. Board Risk Committee:

Committee's Role:

The Board Risk is tasked to carry out the following below stated duties at least, in addition to other relevant duties stated in its Charter:

1. Recommend to the BOD to approve JKB risk management framework.
2. Verify the availability of policies and tools for identifying measuring analyzing assessing and controlling risks and reviewed at a minimum annually to ensure its effectiveness and amended if necessary and recommending the adoption of polices by the BOD.
3. Ensure that JKB has a comprehensive risk management strategy that includes the type and level of risk acceptable to all the Bank's activities. Cope with the developments affecting JKB risk management.
5. Provide the Board with periodic reports on the risks to which JKB is exposed, including abuses of acceptable risk levels and the procedures for dealing with them.
6. Verify the effectiveness of the work procedures of the Risk Management Department and assess the compliance of the executive management with the approved policies and procedures.
7. Verify the availability of a risk management system that ensures the accuracy and adequacy of the data used to identify, measure, analyze, assess, and monitor the risks and losses that may result from it and maintain the capital required to face them.
8. Verify the existence of means to assist in risk management.
9. Approve a detailed description of the responsibilities and functions of risk management department.
10. Approve comprehensive operating procedures for all risk management activities.
11. Recommend to the BoD to approve the risk management organizational

structure.

12. Ensure the availability of sufficient resources and enough qualified human cadres for the Risk Management Department and subject them to specialized training programs.

13. Evaluate the performance of the Director of the Risk Management Department and determine his remuneration in line with the performance appraisal policy approved by the Board, and that after consulting the opinion of the Chief Executive Officer.

14. Recommending the BoD to adopt a strategy outlining the Bank's approach and procedures for the early identification of credit exposures that may be classified or classified as non-operating and the control mechanisms at their existing and expected levels, and determining the practical plans that will be followed to reduce the size of such exposures within realistic time periods.

15. Recommending to the BoD to adopt performance indicators to monitor the effectiveness of the above strategy, so that they include performance indicators (qualitative and quantitative measures) that enable the Board to assess the quality of the treatment measures taken by the executive management in particular, and work to take corrective actions in the event that the strategy is found to be ineffective in achieving the targeted indicators.

16. Ensure the provision of the necessary resources to implement the strategy for dealing with credit exposures that are likely to be classified or classified as non-active, including ensuring the adequacy of specialized human resources and systems, and identifying and documenting roles, responsibilities, administrative dependency and incentives supporting the implementation of that strategy.

17. Submit a report to the BoD of the Bank immediately upon identifying any material changes affecting the financial position of the Bank to take the necessary corrective measures based on the reports provided to the Committee on a quarterly basis related to the results of changes in the classification of credit exposures, the size of structured and scheduled facilities, and the effectiveness of credit risk reduction measures, including measures taken to hedge those risks, and provide the Central Bank with a copy of the report within a period not exceeding (10) working days from the date of submitting the report.

18. Recommending to the BoD to adopt policies and procedures within the Bank's risk management strategy to identify, assess and manage climate-related financial risks as well as review them annually or whenever needed in response to emerging climate-related financial risks and regulatory requirements.

19. Confirming to the BoD that climate-related financial risks are appropriately taken into account as part of the Bank's business strategy and risk management strategy.

20. Reviewing the Risk Responsibilities Map and recommending its adoption to the Board of Directors.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its chairperson appointed by a decision of the Board of Directors. It shall comprise of three members at least, where the majority of the members of the Committee including the chairperson shall be

independent members. The committee may invite management representatives or other experts and specialists to attend its meetings.

- The Committee shall meet at the invitation of its Chairperson at least once every three months, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. Its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

C. Board Nominations and Remuneration Committee:

Committee's Role:

Board Nominations and Remuneration Committee is tasked to carry out the following below stated duties at least, in addition to other relevant duties stated in its Charter:

1. Examine the suitability of the persons nominated for membership in the board within the members' relevance policy approved by BoD taking into consideration the capabilities and qualifications of the nominated persons and make the appropriate recommendation to the Board. In case of re-nominations, member's attendance and extent of participation in Board meetings should be taken into account.
2. Notify in writing any person (including the representative of a legal person) who applies for membership of the Board of the Board's decision that the provisions of board membership do not apply to him.
3. Nominate to BoD qualified persons to join the executive management, in accordance with the requirements of the Executives employment policy.
4. Ensure BoD members joining workshops or seminars on banking topics, particularly risk management and corporate governance, and the latest developments in the banking business.
5. Ensuring that appropriate training is provided to members of the Board of Directors and its subcommittees, especially the Risk Management Committee, on climate-related topics, and adopting training plans to promote the concept of data protection and compliance with the Personal Data Protection Law.
6. Determine whether the member meets the independent member criteria taking into account the minimum requirements stated in the laws and regulations in force, and verify the status annually and provide the Central Bank with any updates on the independence of any of the Independent Members.
7. Supervise the implementation of policies adopted by BoD regarding BoD and senior executive management performance appraisal, including the General Manager.
8. Provide information and summaries on some of the important topics of JKB to BoD members upon request, and ensure updating them constantly about the latest topics related to the banking business.
9. Set a policy of performance appraisal and granting remunerations to JKB administrative staff is in place, review it regularly, include the mechanism for determining the salaries remunerations and privileges of the General Manager and other members of the senior executive management. The Committee may not delegate this task to the executive management, and the policy shall be

approved by the Board.

10. Evaluate the work of the board, its committees, and its members as a whole annually, and it shall inform the Central Bank and the Securities Commission with the result of this evaluation.
11. Set clear methodology to verify that board members allocate sufficient time to carry out their duties, including (for example) the multi commitment of the member to other boards/bodies memberships/forums...etc.
12. Verifying the suitability of Board members and senior executive management members initially and continuously.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors. It shall comprise of three members at the least, the majority of whom are independent including the Chairperson. The Committee may invite members of the executive management or other specialized persons to attend its meetings.
- The Committee shall meet at the invitation of its Chairperson at least twice a year, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. Its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

D. Board Corporate Governance Committee:

Committee's Role:

Corporate Governance Committee shall have at least the following duties, in addition to the other related tasks includes in the committee's charter:

1. Supervising the processes of preparing the Corporate Governance Guide, its update and implementation monitoring, and its approval by the Board.
2. Ensure that JKB organizational structure serves the requirements of corporate governance.
3. Ensure commitment to the adopted JKB Code of Ethics at the level of BoD and all administrative levels in the Bank.
4. Provide the Central Bank with a letter signed by all members of the Committee within two months of the date of any amendment of the corporate governance guide.
5. Formulate written procedures for the implementation of the Corporate Governance Guidelines of the listed companies issued by the Securities Commission and to ensure the Bank's compliance with these instructions and to study the comments of the Commission on its application and follow up on what has been done.
6. Prepare the Governance Report and submit it to the Board of Directors.
7. Verify that the observations contained in the report of the Internal Audit Department - or any other relevant entity - regarding the Bank's compliance with the Corporate Governance Guide are corrected.
8. Notify the Central Bank immediately upon verification of any violations of the provisions and requirements of Banks Corporate Governance instructions.

9. Preparing the Board Skills Matrix and the assessment, and recommending its adoption to the Board of Directors.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors. It shall comprise of three BOD members at least, the majority of whom are independent and should include the Chairman of the Board. The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings.
- The Committee shall meet at the invitation of its Chairperson at least twice a year, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. Its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

E. Board Compliance Committee

Committee's Role:

The Board Compliance Committee is tasked to carry out the following below stated duties at least, in addition to other relevant duties stated in its Charter:

1. Recommend to the BoD to adopt governing compliance management policies, including compliance policy, anti-money laundering policy, international sanctions policy, bribery policy, combatting fraud and any other policy related to compliance management, and periodically reviewing these policies and commitment to their application.
2. 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.
3. Ensure the independence of the Compliance Department, in order to ensure the compliance control function is separate from the Bank's other departments.
4. Approve the annual plan and review the periodic reports prepared by the Compliance Department including the assessment of non-compliance risks, infractions, and deficiencies, and of non-compliance violations and deficiencies and the corrective actions taken.
5. Supervise the implementation of the compliance policy of the Bank and ensure that the Executive Management of the Bank resolves all compliance related matters promptly and effectively.
6. Supervise the work of the Compliance Department and ensure the existence of the appropriate mechanisms to monitor the compliance of all management levels in the Bank with all regulatory requirements in force legislations and international standards including the recommendations of the Financial Action Task Force.
7. Verify the availability of sufficient resources and enough qualified human cadres for the Compliance Department and subject them to specialized training programs.
8. Evaluate the performance of the Director of the Compliance Department and determine his/her remuneration in line with the Performance Appraisal Policy approved by the Board and that after consulting the opinion of the General

Manager.

9. Approve a detailed description of the responsibilities and functions of compliance department.
10. Approve comprehensive operating procedures for all compliance department activities.
11. Recommend to the BoD to approve the compliance department organizational structure.
12. Recommending to the Board of Directors the appointment of a Personal Data Protection Officer, and verifying, both initially and continuously, their suitability for the bank.
13. Recommending to the Board of Directors the adoption of clear policies for the protection of personal data and ensuring their comprehensiveness in relation to the roles of the oversight departments concerning personal data protection.
14. Forming committees or establishing regulatory frameworks that ensure that the relevant administrative bodies provide the Board of Directors with the necessary information to perform its role in monitoring compliance with personal data protection legislation and following up on the results of periodic assessments of data processing risks.
15. Cooperating with the relevant regulatory authorities and verifying that the required information is provided in the event of any data breaches.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors. It shall comprise of three Board members at least, the majority of whom are independent. The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings.
- The Committee shall meet at the invitation of its Chairperson at least once every 3 months a year, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. Its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

F. Board Credit Committee:

Committee's Role:

1. Granting, amendment, renewing, structuring, scheduling, or settling of credit facilities that exceed the authorities of the Management Credit Committee, headed by the General Manager, within the limits set by the Board of Directors. The Board of Directors shall take the decisions in matters exceeding the Committee's authorities.
2. The Committee's authority is limited to taking the right decision regarding the facilities that have been recommended for approval by the Management Credit Committee.
3. The Committee's authority shall not include the following:
 - a. Granting credit facilities to members of the Board of Directors.
 - b. Writing-off debts.

4. Submit to the Board periodically details of the credit facilities that have been approved by the committee.
5. The Committee's decisions are considered valid by the presence and personal voting of its members, if a member is unable to attend, he may express his opinion through telephone or video, and has the right to vote and sign the minutes of the meeting that must be duly documented.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors. It shall have at least five members one of its members may be independent provided that none of its members is on the Audit Committee ; in the case of the representative of the legal person, he may not combine his membership in this committee with membership in the Audit Committee. and The meeting shall be considered valid if attended by at least four members, and decisions are taken by majority of its members regardless of the number of attendees. If the votes are equal, the side to which the Committee Chairperson votes will outweigh.
- The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings.
- The Committee meets once every week if needed and maintains documented minutes of meetings.
- The General Manager is the Secretary of the Committee.

G. Board Information Technology Governance and Cyber Security Committee

Committee's Role:

The Committee shall undertake the following tasks guided by the Governance and Management of Information Technology and its accompanying Instructions No. 65/2016 dated 25/10/2016 issued by CBJ:

1. Approve the Information Technology strategic objectives and appropriate organizational structures, including Steering Committees at Executive Management Level, particularly (The Information Technology Steering Committee), ensuring the achievement of the Bank's strategic objectives, and realizing the best value-added of projects and investments in Information Technology while utilizing the tools and standards to monitor and ascertain the extent of achievement, such as using the IT Balanced Scorecard system, and calculating the rate of return on investment (ROI) and measuring the investment impact on financial and operational efficiency.
2. Approve the general framework for the control and monitoring of resources and projects, that corresponds to best accepted international practices in this regard, particularly (COBIT) (Control Objectives for Information and related Technology), complying with and facilitating the achievement of objectives and regulations, through the sustainable achievement of corporate objectives, and achieve the

information objectives' chart and its associated technology and cover IT governance operations.

3. Approve the corporate objectives chart, and its associated Information Technology objectives, considering its legibility as minimum, and define the sub-objectives needed for its achievement.
4. Approve the responsibility chart (RACI Chart) towards the major operations of IT governance and its emanating sub-operations i.e.: The party or parties or the person primarily responsible (Responsible), and those finally responsible (Accountable), and those consulted (Consulted), and those to be informed (informed) towards all operations guided by the standard (COBIT 5 Enabling processes) in this regard.
5. Ensure the existence of a general IT Risk Management Framework that complies and integrates with the Bank's general comprehensive Risk Management Framework and considers all IT governance operations.
6. Approve an information technology resources and projects budget in line with the Bank's strategic objectives.
7. Oversee and be acquainted of the progress of information technology operations, resources, and projects to ensure its adequacy and its effective contribution in achieving the Bank's business and its requirements.
8. Be acquainted of the audit reports on information technology and taking the necessary action to correct deviations.
9. Recommend to the Board of Directors to take the necessary measurements to correct any deviations.
10. The committee also undertakes tasks related to cybersecurity governance in accordance with the instructions of the cybersecurity framework issued by the CBJ.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors, and the Board determines its objectives and powers, to be demonstrated in its Charter.
- The Committee shall comprise of, at least, three Board members and preferably comprising persons with expertise or strategic knowledge in information technology. The committee, in coordination with the Chairman of the Board, may seek the assistance of external experts, when necessary, at the expense of the Bank to make up the shortfall in this area and enhance substantive opinion. The Committee may invite any of the Bank's administrators to attend its meetings to express their opinion, including those involved in internal audit and senior executive management members (such as Information Technology Manager) or those involved in External auditing.
- The Board shall elect one of its members to be an observer member in the Information Technology Steering Committee.
- The Committee shall submit periodic reports to the Board, the Board's mandate to the Committee does not relieve it from its responsibilities in this regard.
- The Committee shall meet at the invitation of its Chairperson at least once every three months, or whenever necessary, or in accordance with the decision of the

Board of Directors, or the request of two of its members, and shall submit its reports to the Board of Directors. Its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

H. Board Strategic Committee

Committee's Role:

The Committee AIMS to support The Board in its supervisory role in monitoring the implementation of the Bank's strategic plan and does the following:

1. Review reports and recommendations issued by the Strategy Department regarding the board-approved strategic plan and submit necessary recommendations to the Board of Directors.
2. Discuss reports and recommendations to ensure their alignment with the bank's strategic direction.
3. Approve final strategic recommendations before presenting them to the Board of Directors.
4. Oversee the implementation of the approved strategic plan and propose corrective measures when necessary.
5. Review and submit recommendations to the Board of Directors regarding the Bank's overall strategy and all related matters.
6. Approve and follow up on the decisions taken in previous committee meetings.
7. Regularly assess the adequacy of the committee charter to enable the committee to carry out the duties and responsibilities assigned to it and propose any necessary amendments for Board approval.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall consist of a minimum of three members and its Chairperson appointed by a decision of the Board of Directors, and the Board determines its objectives and powers, to be demonstrated in its Charter.
- The Committee shall submit periodic reports to the Board, the Board's mandate to the Committee does not relieve it from its responsibilities in this regard.
- The committee shall meet at least four times every year. Committee meetings may be convened at the request of the Board of Directors or at least two of its committee members. The minutes of the committee's meetings are documented officially.

I. Board Sustainability Committee

Committee's Role:

The committee aims to develop sustainable strategies that support the Bank's long-term goals, promote social responsibility and environmental governance, and undertake the following tasks:

1. Approving the Bank's comprehensive sustainability strategy, including its plan, framework, budget and programs, following up on its development, ensuring its implementation, and ensuring its integration with the Bank's business strategy.
2. Approving the Bank's annual sustainability report in accordance with international standards.
3. Supervising the preparation of a sustainability manual, updating it, approving it by the Board of Directors, and monitoring its implementation to ensure its integration with the Bank's operational processes and investment decisions.
4. Recommending to the Board of Directors the adoption of policies, regulations and charters related to sustainability.
5. Ensure that the Bank makes sufficient efforts to establish a culture of sustainability among the Bank's employees.
6. Ensure that the Bank complies with instructions issued by the Central Bank and any other regulator regarding sustainability, including with regard to climate risk management.
7. Review the legislation issued related to sustainability, and the extent of its impact on the Bank's policies and procedures.
8. Ensure that the Sustainability Committee formed at the level of the executive management, and the Sustainability Department, carry out the tasks entrusted to it.
9. Oversee the measurement of sustainability performance through indicators (KPIs), and monitor progress in achieving the Bank's environmental and social goal.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall consist of at least three members, and its Chairperson shall be appointed by a decision of the Board of Director. Its objectives delegated and powers by him, in accordance with a charter clarifying this.
- The Committee submits periodic reports to the Council, noting that the delegation of powers to the Committee by the Council does not exempt it as a whole from assuming its responsibilities in this regard.
- The Committee shall meet periodically and at least four times during the year, and shall be called to meet at the request of the Board of Directors, its Chairman or two of its members, and shall submit its reports to the Board of Directors, take its recommendations by majority, and keep the minutes of notarized meetings.

Senior Executive Management

BoD approves the appointment of JKB Executive Management. BoD makes sure that members of the Executive Management possess the necessary expertise, competencies and integrity to manage JKB businesses and affairs in a manner consistent with the standards of professional conduct, particularly supervising the JKB management, enjoying the appropriate competences to oversee key individuals associated with the Bank operations. JKB develops a policy to manage and fill top executive jobs to meet laws and regulations requirements in force and the aspirations of JKB.

The duties of the senior executive management are as follows:

- Implement and manage the activities of JKB in accordance with the strategies/policies approved by the Board, the systems, risk management processes and controls required to manage all types of risks to which the Bank is exposed, to ensure that the acceptable levels of risk approved by the Board are not exceeded, and comply with all applicable legislation and the Bank's internal policies.
- Ensure the existence of comprehensive operating procedures for all activities of JKB in line with the legislation in force and the strategies/policies approved by the Board. Such procedures shall be approved by the General Manager (except for the Supervisory Departments where they must be approved by the competent committee) and ensure the implementation of such procedures.
- Preparing the financial statements.
- Prepare the general organizational chart of the Bank and approve it by the Board of Directors as well as prepare the subsidiary organizational structures of all operating units of the Bank and approve them by the General Manager, except for the subsidiary organizational structures of the supervisory departments.
- Prepare an annual budget and approve it by the Board and submit periodic performance reports to the Board, stating the deviation in actual performance from what is estimated and the reasons thereof.
- Not engage in any practices that would affect the independence and objectivity of the Supervisory Departments. The cooperation of these departments with the various units of the Bank and the Executive Management is considered essential to the fulfillment of their duties. It shall inform the Senior Executive Management of any important issues that require immediate action to be taken upon becoming aware of such matters by any of these departments. This shall not prevent such departments from informing the competent committee on such matters.
- Provide the supervisory authority, the external audit, internal audit and any other competent entities at the time determined by these entities they shall provide the required information and statements required for the optimal performance of their duties.
- Prepare JKB Code of Conduct, and approve it by the Board, and circulate it to all the Bank's administrators.
- Develop the skills and professional conduct JKB's employees to comply with the latest standards of ethics and the Code of Business Conduct.
- Provide appropriate training for executive management members to ensure they have appropriate skills and experience to manage climate related financial risk and organize training and awareness programs for employees at all levels on a regular basis.
- Verify that appropriate controls are in place for each activity or operation Administrative and operational separation of procedures between approval and implementation tasks.

Administrators' Performance Appraisal:

JKB develops policies of performance appraisal which ensure the participation of all those involved in managing JKB businesses to achieve the Bank objectives through carrying out

tasks, objectives and obligations assigned to each one of them within a framework of fair competition based on the culture of excellence in performance.

- Performance Appraisal Policy for BoD and its members
- Performance Appraisal Policy for holders of senior positions and accountability
- Performance Appraisal Policy for other JKB staff members.

All the aforementioned policies are based on the latest international practices which are meant to objectively measure performance, take into account risk aversion and the provisions of laws and regulations in force.

Internal Control and Audit Systems:

The Board and the Executive Management of JKB are in charge of implementing and maintaining internal control and audit systems that are able to ensure and achieve the following:

- Accurate and integral financial and operational data issued by JKB.
- Efficient and effective performance of JKB operational processes.
- Effective protection procedures of JKB assets and property.
- Compliance with work policies and internal procedures, laws and regulations in force.

This is based on BoD belief in the importance of effective internal control and audit system as it is one of the most important elements of good management and the basis for the soundness and quality of JKB operations. JKB adopted a number of internal control and audit systems which the senior executive management is responsible to set up, follow-up its development and update them. JKB management is constantly monitoring and assessing the efficiency and effectiveness of these systems, their ability to achieve the desired goals and strive to enhance them. Internal Audit make sure that transactions with stakeholders are conducted in accordance with the adopted policies and procedures.

BoD adopts control and audit policy addressing all aspects of the internal control systems in terms of their definition, components and BoD and senior executive management responsibilities.

To ensure JKB supervisory departments independence and that they fulfil their supervisory roles they tasked to carry out, their reports are to be submitted to BoD committees. BoD committees appraise the performance of the holders of senior positions at supervisory departments under the Performance Appraisal Policy for holders of senior positions adopted by BoD.

JKB Supervisory Departments

Internal Audit Department: The Internal Audit Department shall undertake the following duties as a minimum:

1. Verify the adequacy of and adherence to the adequacy of the internal control systems for the activities of JKB and its subsidiaries, review and document any modifications made to the structure of these systems.
2. Prepare the internal audit charter and approve it by the Board based on the recommendation of the Audit Committee, which includes the functions, powers, and work methodology of the Internal Audit Department.
3. Prepare an audit plan covering the activities of JKB including those of other oversight departments and outsourced activities in accordance with the degree of risk of such activities to be approved by the Audit Committee.
4. Review annually the compliance with the Corporate Governance Guide and the related policies and charters, and prepare a detailed report thereof and submit it to the Audit Committee and a copy thereof to the Corporate Governance Committee.
5. Review the validity and comprehensiveness of stress testing consistent with the methodology approved by the Board.
6. Ensure the accuracy of the procedures followed for the Internal Capital Adequacy Assessment (ICAAP) process.
7. To audit financial and administrative matters.
8. Follow up on the violations and observations contained in the reports of the supervisory authority and the external auditor, and ensure that they are addressed and that the Executive Management has appropriate controls to prevent their recurrence.
9. Ensure that the procedures required for receipt are in place processing, retaining complaints from JKB customers, the notes relating to the accounting system internal control and control audits, and submit periodic reports thereto.
10. Maintain audit reports and working papers for a period consistent with the provisions of the legislation in force in this regard in an orderly and secure manner and be available for review by the supervisory authority and the external auditor.

The Internal Audit Department shall conduct an examination at least once a year to ensure that all related party transactions with JKB have been carried out in accordance with the applicable legislations and the Banks internal policies and approved procedures.

And it submits its reports to the Audit Committee with a copy to the General Manager synchronously.

Risk Management Department: This department is tasked to monitor risks in JKB at all levels and market and operational areas, information risks, credit risks and business continuity, and monitor JKB departments compliance with the identified levels of risk in accordance with the best international standards. Risk Management Department submits its reports to the Board Risk Committee. The tasks of the risk management department shall be as follows as a minimum:

1. Implement the risk management strategy in addition developing work policies and measures to manage all types of risks.

2. Implement the Board's strategies and policies related to climate risk management, and develop a robust framework for managing climate risks, and maintaining it .
3. Develop a risk management policy (s) covering all operations of JKB and setting clear benchmarks and limits for each type of risk ensure that all employees at their level of management are fully aware of the same and review the same on a periodic basis. The risk management policy(s) shall be approved by the Board.
4. Prepare a comprehensive document for all risks acceptable JKB and approve it by the Board.
5. Review the risk management framework of JKB and approve it by the Board of Directors.
6. Prepare JKB internal capital adequacy assessment document, review them periodically and verify their implementation, which are comprehensive, effective, and capable of identifying all the risks that the Bank may face and take into account the Banks strategic and capital plan and to be approved by the Board.
7. Develop methodologies for the identification, measurement, analysis, assessment, and control of each type of risk.
8. Verify the integrity of risk measurement mechanisms with the used management information systems.
9. Prepare a comprehensive framework for crisis management and recovery plans and adopt them from the Board, including business continuity plans; provided that they are periodically examined.
10. Ensure before launching/introducing any new (product/service/process/system) that it is in line with the strategy of JKB that all the associated risks including Operational/Information Security/and Cyber risks have been identified and that the new controls and procedures or amendments thereto have been made commensurate with the risk limits acceptable to the Bank.
11. Provide the necessary information about the Bank's risks to be used for disclosure purposes.
12. Submit recommendations to the Board Risk Committee on the Bank's exposures to risks and record cases of exceptions to the risk management policy.
13. Monitor the compliance of the Bank's executive departments with the defined levels of acceptable risk.
14. Submit reports to the Board through the Board Risk Committee and a copy to the General Manager containing information on the actual risk profile of all JKB activities in comparison with the risk appetite document, and follow up the treatment of negative deviations, and the Executive Management may request special reports as needed from the Risk Management Department.

Compliance Control Department: This department is tasked to verify compliance with local and international laws and regulations governing JKB businesses. It is also tasked to monitor and combat money laundry. Moreover, it is tasked to manage Customers Complaints Unit within a framework approved by BoD as per the supervisory instructions. And it submits its reports to the Board Compliance Committee. The tasks of the compliance department shall be as follows as a minimum:

1. Develop a compliance policy to ensure that JKB complies with all relevant legislation, ensure that all employees at their level of management are fully

informed and aware of them, such policy shall be approved by the Board of Directors.

2. Prepare an annual Compliance Plan and to be approved by the Compliance Committee.
3. Monitor the compliance of all management levels in JKB with all regulatory requirements in force legislations and international standards including the recommendations of the Financial Action Task Force.
4. Prepare periodic reports including the assessment of the risks of non-compliance violations and deficiencies and the corrective action taken, the same shall be submitted to the Compliance Committee and copies shall be made to the General Manager.

All the aforementioned departments should develop their own charters to be approved by BoD.

Business Ethics Code

JKB adopted a code of business ethics which was approved by BoD and pledged to abide by all JKB staff in their respective administrative levels, in addition to the BoD members. This code identified JKB staff's ethics, values and principles through four main themes, namely:

- Integrity.
- Compliance with laws, regulations, instructions and decisions.
- Transparency.
- Loyalty to the bank.

As for integrity, the code included that JKB employees are committed to the following:

- Client and shareholder funds are a trust and responsibility that must be preserved.
- Personal interest should not conflict with JKB interests.
- Not to use inside information to serve personal interests.
- Maintaining objective and non- bias personal relationships.
- Avoiding business relations with customers and suppliers.
- No-discrimination whatsoever among customers.
- Refrain from accepting gifts, benefits and invitations.
- Proper handling of information and accompanying technology.

As for compliance with the laws and regulations, employees must abide by the laws and instructions of the Central Bank, banking secrecy and JKB policies ,work manuals, management decisions, legal advice,. Also, they should pay more attention for combating money laundering, data privacy, and not issuing cheques without balance.

Concerning transparency, JKB employees should be committed to provide authorized

accurate figures, data and reports, and that the data is accurate, adequate, timely and in line with the standards. In addition to declaring the required personal information and disclose their personal interest and soundness of their financial standing and their personal business activities, and the declaration of accusations and disputes against him, and the declaration of violations and damages that may be caused to the bank when it becomes aware of them, and observing the rules of documentation..

Regarding loyalty to JKB, this could be realized through achieving JKB mission, vision, objectives and role, transferring JKB slogan into a tangible reality, besides achieving customer satisfaction and retain them, being positive, excellent, responsible, enjoying qualities and efficiency, then accuracy and continuous learning, keeping up with working hours, adapting to work stress with the spirit of teamwork, be ready to continue working until the completion of tasks, paying attention to appearance, conduct and good handling of situations, maintaining respect among colleagues and politeness with superiors, being keen to maintain JKB reputation and achievements, maintaining JKB assets and its appearance, not to disclose work secrets, taking permission of the administration to make any statement related to JKB via any means of media.

The relevant standards and policies are published through JKB website. The level of adherence to those standards and policies should be identified in the Corporate Governance Report included in JKB annual report.

Conflict of Interest

JKB shall have written policies on conflict of interest covering its definition, independent execution, and disclosure, whether such conflict is between the Board members and JKB or between the Executive Management and JKB.

Conflict of interest policy shall cover various aspects related to this subject, such as:

- Board member and member of the Senior Executives shall avoid the activities which may lead to conflict of interest.
- BoD approval shall be obtained for any activity a Board member performs that may result in a conflict of interest and verify that the activity does not contain any conflict.
- Board member and member of the Senior Executives shall disclose any subject, which may lead to or has already led to a conflict of interest.
- Board member shall abstain from voting on any item of the agenda which might contain a conflict of interest for the member or has an effect on the objectivity of the vote.
- All transactions with related parties shall be based on equal basis and clear mechanism established for the Board to handle the case in the event of non-compliance with conflict of interest policy.
- The conflict of interest policy shall contain examples of cases where a conflict of interest may arise for a Board member and member of the Senior Executives.

Transactions with Stakeholders

- JKB shall have written policies on transactions with the related parties. These policies shall include rules and procedures for organizing transactions with such parties whether between JKB and its employees, JKB and its Board members or their companies, or parties related to them, including lending transactions and joint trading transactions with JKB.
- BoD shall ensure that the transactions with stakeholders are reviewed to assess their risks and are subjected to appropriate restrictions in place.

Whistle Blowing Policy

The Bank shall place policies and procedures to report on illicit acts/ Fraud- “Whistle Blowing Policy”, including procedures enabling employees to contact the Chairman of the Board to communicate any concerns they might have on the possibility of violations or fraud, and in a way that allows independent investigation into these concerns and to follow-up them. These procedures shall ensure that JKB provides the required protection for these employees to assure them they will not be threatened or penalized even when there is nothing to prove their concerns.

JKB Governing Policies

Jordan Kuwait Bank regards providing written policies covering all the Bank's activities with high importance as these policies are adopted by the Board of Directors and circulated to all management levels as well as reviewing and updating them regularly to reflect any changes and amendments that occur to the laws, regulations, economic circumstances and any other matters related to the Bank.

Protecting Shareholders Rights and their Relations with the Bank

- BoD ensures the protection of shareholders' fundamental rights concerning the registration and transfer of ownership, participation in the General Assembly meetings, gaining profits and get information regularly on JKB.
- BoD shall encourage shareholders' active participation of in the General Assembly meetings; explaining voting procedures and rules, as well as inform them by the date and venue of the meeting along with the meeting agenda in sufficient time, in addition to inform shareholders by the General Assembly minutes of the meetings.
- JKB develops positive relations based on transparency with all shareholders. In this regard, the Bank saves no effort to encourage all shareholders, especially minority shareholders, to attend the annual meeting of the General Assembly and they are encouraged to vote. In addition, consideration is given to voting on each issue that is raised during the annual meeting of the General Assembly separately.
- The Chairmen of the various Board committees attend the annual General Assembly meeting.
- Following the General Assembly meeting, detailed report is prepared to inform shareholders of the various remarks and questions brought forth by the shareholders and management responses to them as well as the conclusions

reached.

- Representatives of the External Auditors attend the annual General Assembly meeting to answer any questions that may be raised regarding audit and the auditors' report.
- Pursuant to the Companies Law, members of the Board of Directors are elected or re-elected during the annual General Assembly meeting. The external auditor is also elected during the same meeting.

Transparency and Disclosures

- JKB provides full information regarding its activities constantly and periodically to all stakeholders such as regulators, shareholders, depositors and the public in general, focusing on issues with material impact on the Bank.
- JKB is fully committed to the requirements of full disclosure according to the International Financial Reporting Standards (IFRS) and the disclosure instructions issued by the Central Bank and regulators.
- JKB follows up the various developments regarding the requirements of disclosure according to international standards, such that they are immediately reflected in its financial reports.
- JKB commits to providing permanent and professional communication lines with all relevant stakeholders such as regulators, shareholders, investors, depositors and other banks. To achieve this, JKB shall create a position of Investors Relation officer whose main task is to provide full and objective information regarding the Bank's financial and administrative standing as well as the Bank's various activities.
- JKB annual report shall contain all information related to the Bank in a manner that is transparent and objective.
- Publish periodic reports that contain quarterly financial information, in addition to a report from the BoD regarding the trading of the Bank's stocks and its financial standing during the year as well as periodic briefs by Executive Management for shareholders, financial market analysts and journalists specialized in the financial sector.
- Hold periodic meetings between the Bank's Executive Management and investors and shareholders.
- JKB provides the information available in its annual or periodic reports on the Bank's website in both the Arabic and English languages, where information is updated constantly.
- The reports that JKB presents must contain disclosure from the Executive Management about the results of current and future operations, the financial standing of the Bank and any future results of risk that might affect the general financial standing of the Bank.