



**Instructions of Shares Buyback by Public Shareholding Companies
“Treasury Stocks” for the Year 2014, Amended by Virtue of the Board
of Commissioners Decision No. (218/2015) Dated November 3.2015**

Article (1):

These Instructions shall be known as the (Instructions of Shares Buyback by Public Shareholding Companies “Treasury Stocks” for the Year 2014) and shall come into effect as of April 1.2014.

Article (2):

A. The following words and expressions shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

- **The Law:** The Securities Law.
- **The Commission:** The Securities Commission.
- **The Board:** The Board of Commissioners of the Commission.
- **The Market:** The Amman Stock Exchange or any Trading Market in Securities licensed by the Commission in accordance with the provisions of the Law.
- **The Company:** The listed and traded Public Shareholding Company at the Market.
- **Treasury Stocks:** The stocks issued by the company and bought-back through the Market by the company.
- **Daily Trading Average:** The daily average of the number of shares traded on the company share during the month preceding the month



of the announcement of the purchase of Treasury Stocks subtracted from the number of shares executed under block trades and remains the same average throughout the period of purchase:

$$= \frac{\text{Total Number of Shares Traded during the Month} - \text{Number of Shares Executed under Block Trades}}{\text{Number of Trading Days during the Month}}$$

- **Announcement:** Advertising at least twice in two local daily newspapers.
- **Insiders:**
 - 1) People occupying the following positions in an Issuing Company shall be considered Insiders de jure not exclusively:
 - A. Chairman of the Board of Directors.
 - B. Members of the Board of Directors.
 - C. Secretary of the Board of Directors.
 - D. General Manager/Chief Executive Officer and his Deputies.
 - E. Financial Manager.
 - F. Internal Auditor.
 - G. The Natural Person authorized to manage the Treasury Stocks Account.
 - H. Relatives of the parties indicated above.
 - I. Companies owned and/or controlled by members of the Board of Directors financially and/or administratively and their representatives.



2) If the member of the Board of Directors is a Legal Person, the Legal Person and his representative shall be considered as an Insider.

B. The words and expressions not stated above shall have the meanings ascribed thereto in the Law and the Instructions issued pursuant thereto.

Article (3):

The company shall promptly disclose to the Commission the buyback decision of the Board of Directors recommendation to the general assembly not later than the beginning of the Trading Session for the next business day for issuance according to the specified Form.

Article (4):

The company's shares buyback process shall be subject to the following:

- A.** The number of shares to be purchased shall not exceed (10%) of the number of shares subscribed in by the company.
- B.** The amount allocated for the company's shares buyback shall not exceed the retained earnings realized and the reserves other than the compulsory reserve. The issuance discount and the negative value of the differences in the valuation of financial assets at fair value shall be subtracted from other Comprehensive Income Items.
- C.** The purchase of Treasury Stocks shall not be financed by borrowing and the company shall not have existing bonds.



D. The company that has increased its capital may not purchase Treasury Stocks before one year from the date of registering the shares of the increase at the Securities Depository Center, except for the increase of the capital resulting from granting free shares (capitalization of profits, reserves and issuance premium).

Article (5):

A. The company that intends to purchase Treasury Stocks shall submit a written request for approval of the Commission in accordance with the attached Form including the following:

- 1.** The decision of its general assembly at its extraordinary meeting including the approval of the purchase and sale of Treasury Stocks provided that the decision shall include the following:
 - The maximum percentage of shares the company intends to purchase.
 - The justification of purchase.
 - The amounts allocated for purchase.
- 2.** The approvals of the official entities subject to the company's monitor (if required by the legislations subject to these entities).
- 3.** The audited annual financial statements.
- 4.** The reviewed financial statements for the last quarter preceding the date of submitting the purchase request.
- 5.** The context of the announcement.

B. The Board of Commissioners shall issue its decision of approval or rejection within (21) business days from the date of submitting the



- request, fulfilling all conditions and requirements and shall disclose such decision.
- C.** Subject to the effective Instructions of Disclosure, the company shall within a period of (4) business days from the date of notification of approving its request, announce the following:
- The decision of the general assembly.
 - The official approvals.
 - The start date of the purchase process.
 - The Financial Brokerage Companies to be executed through.
- D.** The company shall be prohibited from commencing to execute the purchase process prior to (7) business days from the date of the last announcement.

Article (6):

The purchase process shall take place through the Market, subject to the following:

- A.** The daily demand in one Trading Session shall not exceed (25%) of the Daily Trading Average of the share.
- B.** The company may exceed the percentage referred to in Item (A) above in case the Daily Trading Average of the share is low, provided that this percentage does not exceed in any case (50%) of the Daily Trading Average of the share, subject to the prior approval of the Board and the announcement for the public.



- C. The company shall execute the purchase process within a period not exceeding one year from the date of the first purchase process.
- D. It shall be prohibited to purchase Treasury Stocks through block trades.
- E. The company shall be prohibited from executing the purchase process of its shares at a price higher than the price of the last process executed during the Trading Session.

Article (7):

In addition to the disclosure requirements stipulated in the Instructions of Issuing Companies Disclosure, Accounting and Auditing Standards for the Year 2004, the company shall disclose the following:

- A. Disclose on a weekly basis the number of shares purchased, the average price executed and the percentage of the remaining shares to be purchased.
- B. Disclose the reasons for renouncing execution and/or discontinuation of the purchase of Treasury Stocks.

Article (8):

Treasury Stocks shall not be entitled to any dividends distributed by the company to shareholders, nor to participating in and voting at the company's general assembly meetings and representation in the Board of Directors.



Article (9):

The period of retaining Treasury Stocks must not be less than six months from the date of the last purchase process and not more than eighteen months from the same date.

Article (10):

The company shall not issue any new securities during the period of retaining Treasury Stocks.

Article (11):

Prior to commencing to sell Treasury Stocks, the company shall undertake the following:

- A.** Disclose the Board of Directors decision to sell Treasury Stocks promptly after taking such decision.
- B.** Inform the Commission in advance of the commencement of the sale process and the Brokerage Companies to be executed through.
- C.** Announce the company's intention to sell those shares, the date of commencement of sale and the Brokerage Companies to be executed through.
- D.** The company shall be prohibited from commencing to execute the sale process prior to (7) business days from the date of the last announcement.
- E.** Disclose on a weekly basis the number of shares sold, the average price executed and the percentage of the remaining shares to be sold.



F. Disclose the reasons for renouncing execution and/or discontinuation of the sale of Treasury Stocks.

Article (12):

- A.** If the Treasury Stocks are not sold within the period of time specified in these Instructions, the company shall inform the Commission of the reasons for this at least (30) days prior to the end of this period.
- B.** The Board may, at the justified request of the company, extend the period of retaining shares for the period it deems appropriate subject to the dictate of the public interest.

Article (13):

Subject to the provisions of Article (12/B) and in the event that the Treasury Stocks are not sold within the period stipulated in these Instructions and for justified reasons, the company shall determine the manner of disposing of these shares in one of the following ways:

- A.** Decrease the capital of the Treasury Stocks balance in accordance with the procedures stipulated in the Companies Law within one month from the end of this period.
- B.** Distribute on the shareholders of the company as they are at the end of the fifteenth day of the date of the approval of the Commission on the distribution of shares (Downloaded of retained earnings and/or voluntary reserve and/or issuance premium) provided that:



- The balances of the retained earnings and/or voluntary reserve and/or the issuance premium shall be sufficient to distribute the shares to be distributed.
- The liquidity position of the company shall permit to distribute on shareholders of the company without prejudice to the rights of the creditors where the approval of the Board of Directors shall be obtained to such distribution without prejudice thereof.
- Obtain the approval of the extraordinary general assembly.

Article (14):

- A.** Insiders in the company, companies owned and/or controlled and their relatives shall be prohibited from dealing in Treasury Stocks.
- B.** The Subsidiary Company shall be prohibited from owning shares in a Parent Company.
- C.** Subsidiary Companies shall make adjustments in accordance with the provisions of Paragraph (B) of this Article, within the time period specified by the Board. The Board for justified reasons shall extend the time period for making adjustments subject to the dictate of the public interest.
- D.** If the Subsidiary Company does not make adjustments within the time period referred to in Paragraph (C) of this Article, the shares owned by the Subsidiary Company in the Parent Company shall not be entitled to any dividends distributed by the company to its shareholders, nor to participating in and voting at the company's



general assembly meetings and representation in the Board of Directors.

Article (15):

Companies that wish to buyback shares issued thereby through the Market for the purposes of decreasing capital shall be excluded from the conditions stated in these Instructions. The Regulatory Provisions of Shares Buyback Process to Public Shareholding Companies “Treasury Stocks” for the purpose of Decreasing Capital issued by the Board pursuant to its decision No. (45/2011) dated February 2.2011 shall be applicable thereof.

Article (16):

The company’s Board of Directors shall observe the interests of shareholders upon taking decisions to purchase, sell and dispose of Treasury Stocks.

Article (17):

The Market shall undertake the necessary measures to disclose the processes carried out pursuant to the provisions of these Instructions.

Article (18):

- A. The company shall be prohibited from executing any process of purchase and sale of its shares during the period from the date of the auditor who certified the annual financial statements until the date of their approval and certified by the general assembly at its ordinary meeting. This shall take into consideration if the meeting is postponed or during the disclosure of any material facts affecting the share price.



B. The company shall be prohibited from executing any process of purchase and sale of its shares within a period of (3) days prior to and two days after the disclosure of the quarterly and semi-annual financial statements.

Article (19):

The company shall be prohibited from selling purchased shares during the period of purchase.

Article (20):

The attached Forms to these Instructions shall be considered an integral part thereof.

Article (21):

The Instructions of Shares Buyback by Public Shareholding Companies “Treasury Stocks” for the Year 2006 shall be repealed.