Corporate Governance

Corporate Governance Report:

Based on Bank of Jordan's firm belief that sound corporate governance practices are the foundation for ensuring fairness and transparency in dealings with all stakeholders and related parties, and in line with the Bank's strategic vision, the Bank places strong emphasis on adopting and implementing robust governance practices. These practices are aligned with the legislation governing banking operations, the regulations and instructions issued by the Central Bank of Jordan, and internationally recognized best practices, including the Basel Committee's recommendations on corporate governance for banks in Jordan. The Bank also complies with the regulatory requirements and supervisory instructions in the countries where it operates. The Board of Directors is committed to applying the Corporate Governance Manual in a manner consistent with the Jordanian banking environment and the legal and regulatory frameworks governing the Bank's activities. The Bank also publishes its governance report on its website (bankofjordan.com), ensuring that it is accessible to the public.

First Pillar: Board of Directors

Chairman of the Board
The Board of Directors elects a Chairman from among its members, ensuring a clear separation between the roles of Chairman of the Board and Chief Executive Officer. It is also required that the Chairman has no familial relationship with the CEO up to the third degree.

Board of Directors
While day-to-day management responsibilities rest with the executive management, the Board of Directors is responsible for setting strategic policies and directions to achieve the Bank's objectives in a way that serves the interests of the Bank, its shareholders, and its clients, and in compliance with applicable laws and regulations.

The Board of Directors of Bank of Jordan consists of 11 non-executive members, including 4 independent members, representing 36% of the Board. Board members are elected by the General Assembly for a term of four years. Board members possess the experience and qualifications necessary to contribute independently and effectively to Board discussions. Their suitability has been assessed in line with the Board membership suitability policy and the requirements of the corporate governance instructions under review. The Chairman is elected by the Board members.

In this context, during 2025, the Board of Directors held (10) meetings. Each meeting followed a defined agenda, and all discussions and decisions were formally documented in official minutes prepared by the Board Secretary.

Board of Directors Members Names:

Name	Position	Type of Membership	No. of Attendances	Outstanding Loan Balance Granted to the Member (JOD)
Mr. Shaker Tawfiq Shaker Fakhouri	Chairman of the Board	Non-Executive / Non-Independent	10	1,038,454
Mr. Walid Tawfiq Shaker Fakhouri	Vice Chairman of the Board	Non-Executive / Non-Independent	10	None
Dr. Yanal Mawloud AbdelKader Zakaria Representative of Al Eqbal for General Investments	Member	Non-Executive / Non-Independent	10	None
Mr. Husam Rashed Rashad Manna' Representative of Al Yamama for General Investments	Member	Non-Executive / Non-Independent	10	23,544
Mr. Walid Mohammad Jamil Al-Jamal Representative of Al Pharaenah Int'l for Industrial Investments Co.	Member	Non-Executive / Non-Independent	10	None
Al Sharifa Lama Fawaz Al Own Representative of Al Louloua for General Investments/As of 27/3/2025	Member	Non-Executive / Non-Independent	8	6,368
Mr. Fawaz Yousef Ibrahim Ghanem Representative of Al Tawfiq Investment House/ As of 20/7/2025	Member	Non-Executive / Independent	5	10,974
Mr. "Mohammad Sa-ed" Ishaq Jarallah Board Member	Member	Non-Executive / Independent	10	None
Mr. Yousef Jan Joseph Shamoun Board Member	Member	Non-Executive / Non-Independent	10	1,514
His Excellency Mr. Samir Said AbdelMuti Murad Board Member as of 27/3/2025	Member	Non-Executive / Independent	8	None
Ms. Hala "Muhammad Ali" Siraj Board Member as of 27/3/2025	Member	Non-Executive / Independent	8	4,737
Mr. "Emad Aldeen" Jihad Jawdat Al-Masri Board Member until 27/3/2025	Member	Non-Executive / Independent	2	None
Mr. Haitham Mohammad Sameeh AbdelRahman Barakat Representative of Al Louloua for General Investments until 27/3/2025	Member	Non-Executive / Non-Independent	2	None
Mr. "Shadi Ramzi" AbdelSalam Atallah Al-Majali Representative of Al Tawfiq Investment House until 20/5/2025	Member	Non-Executive / Independent	4	None
Mr. Walid Rafeeq Ragheb Anabtawi Board Member until 27/3/2025	Member	Non-Executive / Independent	2	None

The Board of Directors of Bank of Jordan was elected by the Bank's General Assembly at its meeting No. (64), held on 27/03/2025.

Board memberships held by the members in public shareholding companies:

Name	Memberships on the boards of public shareholding companies
Mr. Shaker Tawfiq Shaker Fakhouri Chairman of the Board	None
Mr. Walid Tawfiq Shaker Fakhouri Vice Chairman of the Board	None
Dr. Yanal Mawloud AbdelKader Zakaria Representative of Al Eqbal for General Investments	None
Al Sharifa Lama Fawaz Zaben Al Own Representative of Al Louloua for General Investments/As of 27/3/2025	None
Mr. Husam Rashed Rashad Manna' Representative of Al Yamama for General Investments	None
Mr. Yousef Jan Joseph Shamoun Board Member	None
Mr. Walid Mohammad Jamil Al-Jamal Representative of Al Pharaenah Int'l for Industrial Investments Co.	Vice Chairman of the Board of Jordan Decapolis Properties
Mr. "Mohammad Sa-ed" Ishaq Jarallah Board Member	None
His Excellency Mr. Samir Said AbdelMuti Murad Board Member as of 27/3/2025	Board Member of Zara Investment Holding Vice Chairman of the Board of Medgulf Insurance
Ms. Hala "Muhammad Ali" Siraj Board Member as of 27/3/2025	Board Member of Amman Stock Exchange
Mr. Fawaz Yousef Ibrahim Ghanem Representative of Al Tawfiq Investment House/ As of 20/7/2025	Board Member of General Investment Company
Mr. Walid Rafeeq Ragheb Anabtawi Board Member until 27/3/2025	None
Mr. "Emad Aldeen" Jihad Jawdat Al-Masri Board Member until 27/3/2025	None
Mr. Haitham Mohammad Sameeh AbdelRahman Barakat Representative of Al Louloua for General Investments until 27/3/2025	None
Mr. "Shadi Ramzi" AbdelSalam Atallah Al-Majali Representative of Al Tawfiq Investment House until 20/5/2025	Chairman of the Board of InvestJo

Name of the Bank's Governance Liaison Officer

Governance Liaison Officer / Ms. Lana Fayez Yahya Al-Breishi / Executive Manager of the Compliance Department

Board Committees

In accordance with the Corporate Governance Manual, the Board of Directors of Bank of Jordan has established seven committees to support it in fulfilling its responsibilities. These are: the Audit Committee, the Corporate Governance and Strategy Committee, the Nomination and Remuneration Committee, the Risk Management Committee, the Facilities Committee, the Compliance Committee, and the IT Governance Committee.

Audit Committee

The Audit Committee is composed of three members of the Board, with the majority of its members—including the Committee Chairman—being independent members. All members of the Committee hold academic qualifications and possess appropriate professional experience in accounting, finance, or other relevant disciplines related to the Bank's operations.

Names of the Audit Committee members, along with their qualifications and financial and accounting experience:

The Audit Committee is composed of the following members:	No. of Meetings Attended	Qualifications	Experience
His Excellency Mr. Samir Said AbdelMuti Murad Board Member as of 27/3/2025 (Committee Chairman) Independent	5	- Bachelor's Degree – Management of Electrical Engineering, New England / United Kingdom, 1982	▪ Chairman of the Board of Directors – Electricity Distribution Company until April 2025. ▪ President /Said Murad & Sons Company for Trade and Investment ▪ Ministry of Labor of the Hashemite Kingdom of Jordan 28-07-2010 ▪ Ministry of Labor of the Hashemite Kingdom of Jordan 14-11-2011 ▪ Ministry of Labor of the Hashemite Kingdom of Jordan 14-06-2018 ▪ Senator – Member of the Jordanian Senate 27-09-2016 ▪ Chairman of the Electricity Distribution Company from 17-11-2019 until 6-12-2020 ▪ Member of the Board Directors of the Integrated Fitness and Sports Solution Company from 2013 until 2018. Member of the Board of Directors / Capital Bank of Jordan from 31-8-2009 until 28-07-2010. ▪ Representative of the Jordanian Capital Bank and Chairman of the Board of Directors of Societe General Bank from 14-02-2022 until 15-08-2022. ▪ Member of the Board of Directors of Societe General Bank from 24-08-2020 until 13-04-2022. ▪ Member of Board of Directors of Nuqul Group Company from 2012 until 2016. ▪ Member of the Board of Director – Jordan Post Office 2015-2016 ▪ Vice Chairman of the Board of Directors – Med gulf Insurance Company from 2015 until 2019 ▪ Member of the Boards of Directors of Non-Profit Organizations: Education for Employment, Injaz: ▪ Young Presidents Organization (YPO) ▪ Jordanian Boy Scouts and Guides Association ▪ National Committee for Human Resource Development ▪ Jordan Strategy Forum ▪ Generations for Peace ▪ Baptism Site Development Zone
Mr. Walid Mohammad Jamil Al-Jamal As of 27/3/2025 Member/Non-Independent	5	- Master of Business Administration in Professional Accounting, from Canisius College, Buffalo/USA, 1995. - B.A. in Accounting from the university of Jordan / Jordan, 1992.	▪ CEO of Jordan Decapolis Properties Company, as of 9-2014 to date. ▪ Director of Finance and Administration, First Jordan Investment Company, from 2011 until 2013. ▪ Deputy CEO for Finance and Administration/MGC/ Saudi Arabia, from 2007 until 2011. ▪ Financial Controller and HR Director, Dar Al-Dawa Group, from 2011 until 2007
Mr. Yousef Jan Shamoun Member/Independent	8	- MBA with a focus on Finance and Entrepreneurship from Georgetown University, 2006. - B.A. in Mechanical Engineering from McGill University, 2002.	▪ Co-founder & CEO at ZenHR Co. as of 1/2017 to date. ▪ Co-founder & Board Member at Jawaker Co. as of 10/2008 to date. ▪ Co-founder & CEO at Akhtaboot Co. as of 6/2007 to date. ▪ Certified SaaStr annual / San Francisco / USA. ▪ Certified Elevating Finance, Operations / Wharton School of Business / USA. ▪ Certified EO Growth Forum / London Business School / UK. ▪ Certified Georgetown Leadership Seminar (GLS) / Georgetown University / USA ▪ Certified Endeavor Leadership Program / Stanford University / USA. ▪ Certified Bank Rotation / Bank of Jordan.
Mr. Nader Mohammad Khalil Sarhan Assistant General Manager Risk Management Division Board Secretary	8		
Mr. Walid Rafeeq Ragheb Anabtawi Member/Independent until 27/3/2025	3	- Bachelor's Degree in Accounting, Alexandria University, Arab Republic of Egypt 1968	▪ Assistant General Manager / Bank of Jordan, Investment and Branches Division, Hashemite Kingdom of Jordan from April 2004 until October 2005 ▪ Assistant General Manager / Bank of Jordan, Organization, Operations and Automation Division, Hashemite Kingdom of Jordan from October 2001 until June 2003 ▪ Executive Director / Bank of Jordan, Organization, Operations and Automation Division, Hashemite Kingdom of Jordan from January 1992 until October 2001 ▪ Director of Internal Audit Department / Bank of Jordan, Hashemite Kingdom of Jordan from March 1990 until January 1992 ▪ Assistant Head of Division – Banking Supervision Department, Central Bank of Jordan, Hashemite Kingdom of Jordan from July 1986 until March 1990 ▪ Senior Assistant Manager – Internal Audit Department, National Arab Bank, Kingdom of Saudi Arabia from February 1983 until June 1986 ▪ Supervisor – Banking Supervision Department, Central Bank of Jordan, Hashemite Kingdom of Jordan from July 1976 until February 1983 ▪ Assistant Head of Section / Arab Bank, Amman Branch, Hashemite Kingdom of Jordan from May 1969 until July 1976 ▪ Accountant – Accounting Department, Royal Jordanian Airlines, Hashemite Kingdom of Jordan from October 1968 until May 1969 ▪ Participated in and organized more than fifty training courses and workshops, both within Jordan and abroad.

- The Committee held (8) meetings during the year 2025.
- In general, the responsibilities of the Audit Committee do not replace those of the Board of Directors or the executive management with respect to overseeing the adequacy of the Bank's internal control and internal audit systems.
- The Audit Committee also met with the external auditor (4) times during 2025.

- Corporate Governance and Strategy Committee

The Corporate Governance and Strategy Committee is composed of the Chairman of the Board and two independent members. The Committee is responsible for guiding and overseeing the preparation of the Corporate Governance Manual, updating it, and monitoring its implementation.

The Corporate Governance and Strategy Committee is composed of the following members:	Capacity	No. of Meetings Attended
Mr. Shaker Tawfiq Shaker Fakhouri	Committee Chairman / (Non-Independent)	2
Mr. Yousef Jan Joseph Shamoun	Member / Independent	2
Ms. Hala "Muhammad Ali" Siraj	Member / Independent as of 27/3/2025	2
Mr. Nader Mohammad Khalil Sarhan	Board Secretary / Committee Secretary	2
Mr. Walid Rafeeq Ragheb Anabtawi	Member / Independent until 27/3/2025	-
The Committee held two meetings during 2025.		

- Risk Management Committee

The Risk Management Committee is composed of at least three members, with the majority, including the Committee Chairman, being independent members. The Committee is responsible for overseeing and managing all categories of risks facing the Bank.

The Risk Management Committee is composed of the following members:	Capacity	No. of Meetings Attended
Mr. “Mohammad Sa-ed” Ishaq Hanfi Jarallah	Committee Chairman / Independent	5
Mr. Shaker Tawfiq Shaker Fakhouri	Member / Non-Independent	5
Mr. Samir Said AbdelMuti Murad	Member / Independent as of 27/3/2025	3
Mr. Nader Mohammad Khalil Sarhan Assistant General Manager Risk Management Division	Board Secretary / Committee Secretary	5
Mr. Walid Rafeeq Ragheb Anabtawi	Committee Chairman / Independent until 27/3/2025	2

- The Committee held five meetings during 2025.

The Committee is composed of the following members:	Executive Committee until 20/02/2025 (4 meetings)	Credit Facilities, Investment and Banking Committee until 27/02/2025, and until 08/05/2025 (7 meetings)	Facilities Committee from 15/05/2025 to 31/12/2025 (25 meetings)	
Mr. Shaker Tawfiq Shaker Fakhouri / Committee Chairman – Non-Independent	4	7	24	35
Mr. Walid Tawfiq Shaker Fakhouri / Member – Non-Independent	-	-	12	12
Dr. Yanal Mawloud AbdelKader Zakaria / Member – Non-Independent	4	7	25	36
Mr. Husam Rashed Rashad Manna’ / Member – Non-Independent	4	7	25	36
Mr. “Mohammad Sa-ed” Ishaq Jarallah / Member - Independent	4	7	25	36
Mr. Nader Mohammad Khalil Sarhan / Assistant General Manager / Risk Management Division	4	7	25	36
Mr. Haitham Mohammad Sameeh AbdelRahman Barakat / Member – Non-Independent Until 27/3/2025	4	-	-	4
Mr. “Shadi Ramzi” AbdelSalam Atallah Al-Majali / Member – Non-Independent Until 20/5/2025	4	7	1	12

- The Committee held (36) meetings during 2025.

- Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of three members of the Board of Directors.

The Nomination and Remuneration Committee is composed of the following members:	Capacity	No. of Meetings Attended
Mr. Yousef Jan Joseph Shamoun	Committee Chairman / Independent	10
Mr. Shaker Tawfiq Shaker Fakhouri	Member / Non-Independent	10
Ms. Hala "Muhammad Ali" Siraj	Member / Independent as of 27/3/2025	8
Mr. Nader Mohammad Khalil Sarhan Assistant General Manager Risk Management Division	Board Secretary / Committee Secretary	10
Mr. Walid Rafeeq Ragheb Anabtawi	Member / Independent until 27/3/2025	2

- The Committee held (10) meetings during 2025.

IT Governance Committee

The IT Governance Committee is composed of four members of the Board of Directors and includes individuals with experience or expertise in information technology.

The IT Governance Committee is composed of the following members:	Capacity	No. of Meetings Attended
Mr. Fawaz Yousef Ibrahim Ghanem	Committee Chairman / Non-Independent as of 20/07/2025	2
Mr. Shaker Tawfiq Shaker Fakhouri	Member / Non-Independent	2
Mr. Yousef Jan Joseph Shamoun	Member / Independent	2
Ms. Hala "Muhammad Ali" Siraj	Member / Independent	2
Mr. Nader Mohammad Khalil Sarhan Executive Manager / Risk Management Division	Board Secretary / Committee Secretary	2
Mr. "Shadi Ramzi" AbdelSalam Atallah Al-Majali	Committee Chairman until 20/5/2025	
Mr. Walid Rafeeq Ragheb Anabtawi	Member / Independent until 27/3/2025	

- The Committee held two meetings during 2025.

Compliance Committee:

The Compliance Committee is composed of three members of the Board of Directors and meets periodically as deemed appropriate.

The Compliance Committee is composed of the following members:	Capacity	No. of Meetings Attended
Dr. Yanal Mawloud AbdelKader Zakaria	Committee Chairman / Non-Independent as of 27/3/2025	3
Mr. Samir Said AbdelMuti Murad	Member / Non-Independent as of 27/3/2025	3
Mr. Shaker Tawfiq Shaker Fakhouri	Member (Non-Independent)	4
Mr. Nader Mohammad Khalil Sarhan Executive Manager / Risk Management Division	Board Secretary / Committee Secretary	4
Mr. Walid Rafeeq Ragheb Anabtawi	Member (Independent) until 27/3/2025	1
Mr. "Mohammad Sa-ed" Ishaq Hanafi Jarallah	Committee Chairman / Independent until 27/3/2025	1

- The Committee held (4) meetings during 2025.

Board Secretariat

The importance of meeting minutes for the Bank, its shareholders, and regulatory authorities lies in the fact that they serve as the permanent record of the Board's activities and the decisions taken by it and by its committees throughout the Bank's history. Accordingly, and given the importance of the role performed by the Board Secretary, Mr. Nader Mohammad Khalil Sarhan, Executive Director / Risk Management Division, has been appointed as Secretary to the Board of Directors. The duties and responsibilities of the Board Secretariat are defined in the Bank's Corporate Governance Manual.

Senior Executive Management

Members of the senior executive management, including the General Manager, meet the "fit and proper" requirements in accordance with the provisions of the Bank's Corporate Governance Manual. The names and positions of the senior executive management are as follows:

Number	Name	Position
1	Mr. Saleh Rajab Alyyan Hammad	Chief Executive Officer
2	Mr. Osama Samih Amin Sukkari	Legal Advisor/ Head of Legal Department
3	Mr. Nader Mohammad Khalil Sarhan	Assistant General Manager / Risk Management Division
4	Mr. Khaled Subhi Khamis Awad	Executive Manager / IT Systems Management
5	Ms. Lana Fayez Yehya Al-Barrishi	Executive Manager / Compliance Department
6	Mr. Yousef Mousa Yousef Abu Humaid	Executive Manager / Central Operations Management
7	Mr. Saif Khader Muhammad Issa	CEO /Bank of Jordan - Palestine
8	Mr. Hani Hasan Mahmoud Mansi	Executive Manager / Financial Management
9	Mr. Anas Ghaleb Mustafa Tuffaha	Executive Manager / Retail Banking
10	Mr. Ayman Ahmad AbdelKareem Al Oqaily	Manager Treasury / BOJ Group Dept .(Acting)
11	Mr. Michel Marwan Arcouche	CEO/Bank of Jordan - Iraq Branch
12	Mrs. Rasha Michel Salameh Ishaq	Executive Manager /Enterprise Projects Management Department
13	Mrs. Suha bint Hussein bin Mohammed Ali Abu Al Faraj	CEO / Bank of Jordan - Saudi Arabia Branch
14	Mr. Samer Mohammed Omar Ahmed	Manager Internal Audit Department (Acting) as of 13/02/2025
15	Mr. Yousef Ali Yousef Sabits	Executive Manager / Human Resources Department as of 11/05/2025
16	Mr. Isam Basem Nasri Samara	Chief Marketing Officer/ Marketing and Branding Department as of 13/08/2025
17	Mr. Khaldoun Mohammed Falah Al-Qammaz	Chief Strategy and Transformation Officer (Acting) / Strategy and Transformation Department as of 09/10/2025
18	Mr. Motasem Maher Mahmoud Dweik	Assistant General Manager / Corporate and Financial Institutions Management until 31/07/2025
19	Mrs. Najieh Ibrahim Shafiq Al-Talawi	Human Resources Manager (Acting) until 10/05/2025
20	Mr. Yousef Mousa Radwan Abu Zaid	Internal Audit Department Manager until 27/02/2025
21	Eng. Raed Qutaiba Abdul Latif Abu Qoura	Executive Manager / Strategy and Transformation Department until 08/10/2025
22	Mr. Salam Salameh Yousef Gammoh	CEO - Bahrain Branch until 31/07/2025

Conflict of Interest

The Board of Directors confirmed, within the Bank's Corporate Governance Manual, that each Board member must define their relationship with the Bank and its nature, avoid conflicts of interest, comply with the Code of Professional Conduct in this regard, and disclose this in writing on an annual basis or whenever required. The Board has also approved the Related Party Transactions and Conflict of Interest Management Policy for Bank of Jordan Group to prevent conflicts of interest.

Second Pillar: Planning and Policy Setting

The Board of Directors undertakes its responsibilities in setting the Bank's overall strategy and strategic direction, defining the general objectives of the executive management, and overseeing the achievement of those objectives.

Third Pillar: Control Environment

The Board of Directors carries out its responsibilities based on an overall internal control framework, with the objective of ensuring the following:

- Efficiency and effectiveness of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- The Board confirms the existence of a comprehensive internal control framework with the necessary attributes to enable it to perform its duties and take appropriate actions within the following framework:

1- Internal Audit:

The Bank recognizes that having an effective internal audit function plays a key role in strengthening internal control systems and the overall framework for managing risks associated with its various activities. The Internal Audit Department carries out its duties based on the following:

- Establishing an Internal Audit Charter and obtaining Board approval, based on the recommendation of the Audit Committee, ensuring that it defines the Department's duties, responsibilities, powers, and methodology.
- Preparing an annual audit plan approved by the Audit Committee, covering all of the Bank's activities, including those of other control functions and outsourced activities, based on their level of risk, and obtaining approval from the Audit Committee.
- Verifying the adequacy and effectiveness of internal control systems for the Bank's activities and those of its subsidiaries, ensuring compliance, and reviewing and documenting any changes made to these systems.
- Staffing the Internal Audit Department with employees who possess appropriate academic qualifications and practical experience to audit all activities and operations, including qualified personnel capable of assessing IT and information-related risks, while ensuring staff rotation across the Bank's activities at least every three years.
- Submitting internal audit reports to the Chairman of the Audit Committee, with a copy provided to the General Manager.
- Reviewing compliance with the Corporate Governance Manual and related policies and charters on an annual basis, preparing a detailed report, and submitting it to the Audit Committee, with a copy to the Corporate Governance Committee.
- Reviewing the accuracy and completeness of stress testing processes in line with the methodology approved by the Board.
- Ensuring the accuracy of the procedures followed for the Internal Capital Adequacy Assessment Process (ICAAP).
- Auditing financial and administrative matters to ensure that key information is accurate, reliable, and provided in a timely manner.
- Following up on violations and observations noted in reports issued by regulatory authorities and the external auditor, ensuring that they are addressed and that appropriate controls are in place to prevent recurrence.
- Ensuring the existence of procedures for receiving, processing, and retaining customer complaints, as well as issues related to accounting systems, internal control, and audit processes, and reporting on them periodically.
- Maintaining audit reports and working papers for periods consistent with applicable laws and regulations, in an organized and secure manner, and ensuring their availability for review by regulatory authorities and the external auditor.
- Reviewing reporting processes within the Bank to ensure that key information related to financial, administrative, and operational matters is accurate, reliable, and timely.
- Ensuring compliance with the Bank's internal policies, international standards and procedures, and applicable laws and regulations.
- Conducting at least one annual review to ensure that all transactions with related parties are carried out in accordance with applicable laws, the Bank's internal policies, and approved procedures, and submitting related reports and recommendations to the Audit Committee. The Audit Committee shall notify the Central Bank immediately upon identifying any breach in this regard.
- The performance of the Head of Internal Audit is evaluated by the Audit Committee, while the performance of Internal Audit staff is evaluated by the Head of Internal Audit, in line with the performance evaluation policy approved by the Board.

2- External Audit:

The external auditor represents an additional level of oversight over the reliability of the financial data generated by the Bank's accounting and information systems, particularly in expressing a clear and explicit opinion on whether such data fairly reflects the Bank's actual financial position over a given period. In its dealings with external audit firms, the Board of Directors takes into consideration the Bank's interests as well as the professionalism of the firms it engages with and ensures regular auditor rotation based on its experience with those firms.

3- Risk Management:

Bank of Jordan has given special attention to the requirements of Basel III as a framework for strengthening and enhancing its ability to improve the control environment and address various types of risks. Practical steps have been taken to implement these requirements, including the establishment of specialized units for managing different types of risks (credit, operational, and market risks), supported by qualified human resources and appropriate systems.

In this context, the Bank has strengthened the frameworks governing credit risk management through the establishment of dedicated units (Corporate Credit Department, SME Credit Department, Retail Credit Department, Palestine Branch Credit Department, and Credit Portfolio Risk Department), in addition to updating and developing risk management policies and procedures to maintain the quality of the credit portfolio. The Bank has also implemented an automated system for calculating capital adequacy (Revalues System).

With regard to operational risk, the Bank has been applying the CARE web system since 2003 to manage operational risk. A Risk Profile has been developed for each of the Bank's units, along with the establishment of a database for operational errors. As for market risk, a dedicated unit has been established to manage all types of market risks and has been staffed with qualified personnel.

Risk management operates within the following framework:

The Risk Management function submits reports to the Board through the Risk Management Committee, with a copy to the General Manager. These reports include information on the Bank's overall risk profile across all activities compared to the approved Risk Appetite, along with follow-up on and treatment of negative deviations. The executive management may also request additional reports from the Risk Management function as needed.

The Risk Management function is responsible for the following:

- Reviewing the Risk Management Framework prior to its approval by the Board of Directors.
- Preparing risk policy/policies covering all of the Bank's operations, setting clear measures and limits for each type of risk, ensuring that all employees—according to their level—are fully aware of them, and reviewing them periodically, subject to Board approval.
- Studying and analyzing all types of risks, including credit risk, market risk, liquidity risk, and operational risk.
- Developing methodologies for identifying, measuring, analyzing, evaluating, and monitoring each type of risk.
- Recommending risk limits, exposures, and approvals to the Risk Management Committee, and reporting and recording exceptions to risk management policies.
- Providing the Board and senior executive management with information on risk measurement and the Bank's actual Risk Profile compared to the approved Risk Appetite and following up on and addressing any negative deviations.
- The Board regularly reviews both qualitative and quantitative risk indicators within the Bank.
- Adopting tools that support effective risk management, including:
- Self-assessment of risks and the establishment of risk indicators.
- Building a historical database of losses, identifying their sources, and classifying them by type of risk.
- Providing the necessary infrastructure and appropriate systems to support risk management.
- The Bank's committees, such as credit committees, Asset and Liability Management/Treasury Committee, and operational risk committees, support the Risk Management function in carrying out its duties within their defined authorities.
- Including information on risk management in the Bank's annual report, covering its structure, operations, and developments.
- Providing risk-related information for disclosure purposes.
- Preparing a comprehensive Risk Appetite document for the Bank and obtaining Board approval.
- Preparing the Internal Capital Adequacy Assessment Process document, reviewing it periodically, and ensuring its implementation, so that it is comprehensive, effective, and capable of identifying all risks the Bank may face, taking into account the Bank's strategic plan and capital plan, subject to Board approval.
- Preparing a Business Continuity Plan and obtaining Board approval, with periodic testing.
- Ensuring, prior to introducing any new product, service, process, or system, that it aligns with the Bank's strategy, that all associated risks—including operational risks—have been identified, and that the necessary controls and procedures or amendments are in place in line with the Bank's risk appetite.
- Implementing the risk management strategy and continuously developing policies and procedures for managing all types of risks.
- Ensuring the integration of risk measurement mechanisms with the management information systems in use.
- Monitoring compliance of the Bank's executive departments with the approved risk limits.

4– Compliance

As part of strengthening the Bank's adherence and alignment with regulatory requirements, a Compliance Department has been established and entrusted with overseeing compliance with laws, regulations, legislation, standards, international requirements, ethical practices issued by various regulatory authorities, as well as the Bank's internal policies. The Department has been supported with qualified staff and appropriate systems. From a compliance management perspective, all laws, regulations, and instructions governing the Bank's operations have been identified, and employees have been educated and made aware of the concept of compliance through circulars and training programs. The Bank has also updated its Anti-Money Laundering and Counter-Terrorism Financing policy in line with AML/CFT Instructions No. (14/2018) dated 26/06/2018.

An independent unit has also been established to handle financial crime matters, including monitoring suspected cases of fraud and forgery. This unit includes the Foreign Account Tax Compliance (FATCA) unit. Customer complaints are handled through a dedicated unit within the Compliance Department responsible for managing and addressing such complaints.

The general framework of the Compliance function includes the following:

a. Preparing a compliance policy to ensure the Bank's adherence to all relevant legislation and ensuring that all employees, according to their administrative level, are fully aware of it, subject to Board approval.
b. Developing an effective methodology to ensure compliance with all applicable laws, regulations, and related guidelines, with executive management responsible for documenting and circulating the duties, powers, and responsibilities of the Compliance function within the Bank.
c. Preparing periodic reports that include an assessment of compliance risks, violations, areas of deficiency, and corrective actions taken, and submitting them to the Compliance Committee, with copies to the General Manager.
d. Preparing an annual compliance plan and obtaining approval from the Compliance Committee.
e. Monitoring the compliance of all administrative levels within the Bank with regulatory requirements, applicable legislation, and international standards, including the recommendations of the Financial Action Task Force (FATF).

5- Financial Reporting:

The Bank's executive management is responsible for the following:

- Preparing financial reports in accordance with International Accounting Standards.
- Submitting these reports to the Board of Directors at each of its regular meetings.
- Publishing its financial statements on a quarterly basis.
- Providing shareholders with the full financial statements and business reports on an annual basis.

6- Code of Professional Conduct:

The Bank has a Code of Professional Conduct approved by the Board of Directors and circulated to all employees. Training programs are also conducted on these principles, and the Compliance Department is responsible for monitoring adherence to them.

Fourth Pillar: Relationship with Shareholders

The law guarantees each shareholder the right to vote at General Assembly meetings and to discuss the items on the agenda of both ordinary and extraordinary meetings. Shareholders also have the right to propose additional items to the agenda of the ordinary General Assembly, provided that such proposals are supported by shareholders representing at least 10% of the shares present at the meeting. To strengthen this relationship, the Board of Directors uses all appropriate means to encourage shareholders, particularly minority shareholders, to attend the annual General Assembly meeting and to vote either in person or by proxy in their absence. The Board also ensures that shareholders are provided with:

- A copy of the annual report sent to their mailing addresses
- The invitation to the General Assembly meeting and its agenda
- All relevant information and materials addressed to shareholders

In addition, each shareholder has the right to review the shareholders' register with respect to their holdings. The Board also ensures that dividends are distributed fairly among shareholders in proportion to their shareholdings.

Fifth Pillar: Transparency and Disclosure

Corporate Governance at Bank of Jordan encompasses principles of integrity, honesty, objectivity, accountability for decisions taken by relevant parties, as well as transparency, disclosure, and openness toward the community. The Bank is committed to publicly disclosing all reliable information in a timely manner to enable users to accurately assess its financial position, performance, activities, risks, and risk management practices. Disclosure ensures the required level of transparency through the accuracy and completeness of both qualitative and quantitative information provided at the appropriate time.

Accordingly, the annual report includes disclosure of all required information to the relevant regulatory authorities, in addition to publishing the Bank's Corporate Governance Manual and the extent of compliance with it.

In line with the Instructions on Fair and Transparent Treatment of Customers No. (56/2012) dated 31/10/2010, a dedicated unit has been established to manage and handle customer complaints. This unit is staffed with qualified personnel, supported by appropriate systems, and equipped with all necessary channels to receive complaints, and it operates under the Compliance Department.

Shaker Tawfiq Fakhouri
Chairman of the Board

Corporate Governance Guide