

# **Memorandum of Understanding**

**By and Between**

**HAWKAMAH  
THE INSTITUTE FOR CORPORATE GOVERNANCE**

**and**

**THE CENTRAL BANK OF JORDAN**

**Dated March 14<sup>th</sup>, 2007**

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MoU") was entered into on this 14<sup>th</sup> day of March 2007, by and between:

- (1) **HAWKAMAH** the INSTITUTE for CORPORATE GOVERNANCE, a subsidiary of the Dubai International Financial Centre Authority, established in accordance with Dubai Law No. 9 of 2004, and the DIFC's Companies Law ("**HICG**"), whose address is at Level 14, The Gate Building P.O. Box 74777, Dubai, United Arab Emirates ("**Hawkamah**");

and

- (2) The **CENTRAL BANK OF JORDAN** is a legal public entity of the Hashemite Kingdom of Jordan enjoying financial and administrative autonomy, established by the Law of the Central Bank of Jordan, enacted in 1959. ("**CBJ**"), whose address is at King Hussein Street, P.O. Box 37, Amman 11118, Jordan.

Individually referred to as Party and jointly as Parties.

### WHEREAS:

- (A) The Central Bank of Jordan is entrusted with the general mission of safeguarding the Jordanian national currency in order to ensure the basis for sustained social and economic growth.
- (B) CBJ, as part of its mandate, supports initiatives involving the Jordanian private and public sector in policy advocacy and institutional reform, improving corporate governance and building understanding of market-based economic and financial systems in different emerging and developing countries.
- (C) CBJ supports internal corporate sector modernization and reform efforts in Jordan and in the greater Middle East through strategic partnerships with think tanks, policy forums, business associations, economic policy institutes, and economic media and journalists.
- (D) HICG is an autonomous, regional entity whose mission is to assist countries and companies of the wider MENA region in developing sound and globally well integrated corporate governance frameworks and practices.
- (E) In accordance with their respective interests and objectives, CBJ and HICG are willing to cooperate with each other to actively promote and demonstrably improve good corporate governance practices in the Jordan and the MENA region.



- (F) The purpose of this Memorandum is to outline areas of cooperation in promoting corporate sector and corporate governance reforms, more specifically, to describe potential project objectives, scope of cooperation as well as the respective roles of the parties.

**NOW THEREFORE:**

**First. Integration**

The Preamble and above declarations shall form an integral part of this MoU.

**Second. Objectives**

The HICG and the CBJ share a common goal, namely to advocate corporate sector reform and improve upon corporate governance in the financial and commercial sectors of the Hashemite Kingdom of Jordan. This goal is supported by four broad objectives, namely to:

- (A) Improve the corporate governance practices of private and public sector entities, including listed companies, banks and financial institutions, family-owned enterprises (FOEs), small and medium enterprises (SMEs) and State-Owned enterprises (SOEs) in Jordan, thus improving their access to affordable credit and capital, increasing their decision-making capacity and operational efficiency and enhancing their reputations.
- (B) Help develop national legal and regulatory frameworks in Jordan with respect to corporate governance, in cooperation with both the public and private sectors, in support of open and transparent markets able to attract investment into Jordan, as well as fair, rule-based and enforceable corporate governance regimes.
- (C) Cooperate on corporate governance institution-building in Jordan, to develop a communication strategy and increase the training capacity of institutions, helping these to train investors, directors, managers and other stakeholders on good corporate governance.
- (D) Cooperate on the establishment of an Institute of Directors in Jordan with the aim of improving directors performance, market integrity, transparency, efficiency and reporting in accordance with best international practices and standards.



**Third. Cooperation and Roles**

Promptly after execution of this Memorandum, HICG and the CBJ shall further discuss other areas of future cooperation, in particular projects focusing on:

- (A) Conducting corporate governance assessments, surveys and improvement plans by promoting the development of a good corporate governance legal, regulatory and institutional structure in Jordan.
- (B) Building capacity for and raising awareness of good corporate governance in Jordan's financial and commercial sectors by encouraging the Jordanian public sector to establish national corporate governance task forces and supporting these task forces to:
  - (1) raise awareness of corporate governance through conferences, roundtables and seminars, as well as handbooks and manuals on good corporate governance;
  - (2) develop national corporate governance codes for the private and public sector;
  - (3) develop a communication and an awareness raising strategy having a training programme for journalists and the media as a focal point;
  - (4) implement programmes that expand access by the business community to information necessary for informed decision making;
- (C) Mechanisms of cooperation between both Parties and other interested national, regional and international organisations and institutions;
- (D) Its respective roles and responsibilities with respect to future projects;
- (E) Outside assistance which may be needed and, as the case may be, identity of such outside consultant(s), main terms of reference, remuneration (fees and costs);
- (F) Proposed budget and respective financial contribution of the Parties; and
- (G) Proposed timing for Project implementation.



**Fourth. Good Faith Compliance**

- (A) HICG and CBJ will carry out their respective roles and responsibilities with due diligence and in a professional manner, and with due regard to applicable laws and regulations.
- (B) Neither HICG nor CBJ will have liability to the other for non-performance of any services under this Memorandum to the extent that any such performance would result in the breach of applicable laws and regulations.

**Fifth. Cost Sharing**

Promptly after execution of this Memorandum, HICG and CBJ shall discuss and agree upon the proposed budget and respective financial contributions.

**Sixth. Licenses**

HIGG and the CBJ hereby grant each other, for the purpose of this MoU, royalty-free, non-exclusive, temporary licenses to use, reproduce and display each other's trade names, trademarks, service marks, links and logos (collectively, the "Marks") on each other's websites.

No rights, titles, licenses, or interests in any Marks owned by either party, or any of its affiliates, whether or not registered, is intended to be given to or acquired by the other party by the execution of or the performance of this MoU.

Neither of the two parties shall use the other party's Marks for any purpose or activity except as expressly authorized or contemplated herein and exclusively with the prior written authorization of that party.

This license shall terminate forthwith upon 15 (fifteen) days prior written notice by either party.

**Seventh. Sharing of Information**

The Parties hereby agree to share unless otherwise agreed on a case-by-case basis, at no cost and free from any charge, information, trends, reports, and other such data as may be necessary to promote and achieve the purpose of their cooperation.

However, by Law, all disaggregate data and statements presented to CBJ are considered confidential and may not be revealed to any individual or institution except in the form of aggregate statistical statements. In addition, CBJ is bound by Law to abide strictly to Banking confidentiality.



**Eighth. Confidentiality**

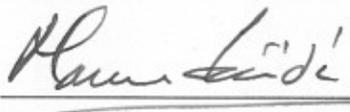
To the extent permitted by the Law, each Party shall always ensure the confidentiality of information and documents received from the other Party if such information and documents are not to be made public or if the Party that has provided them does not want them to be made public. The extent of the confidentiality of such information and documents shall be determined by the Party that provides the information and documents.

**Ninth Dispute Resolution**

Any conflicts or disputes that may result from this MoU will be solved through friendly negotiations and consultations between the two parties.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be signed in their respective names as of the date first above written.

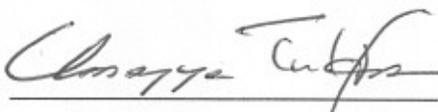
**HAWKAMAH  
INSTITUTE for CORPORATE  
GOVERNANCE**

By: 

Name: Dr. Nasser Saidi

Title: Executive Director

**CENTRAL BANK OF JORDAN**

By: 

Name: Dr. Umayya TOUKAN

Title: GOVERNOR