

No.: 28/ 2/ 15557

Date: 21/ 4/ 1442 Hijri

Corresponding to: 6/ 12/ 2020

**Instructions of Corporate Governance for microfinance companies
No. (10/ 2020)**

Issued pursuant to the provisions of Articles (4 / B/ 4) and (65/ B) of the Central Bank of Jordan Law No. (23) of 1971 and its amendments and to the provisions of Article (26) of the Microfinance Companies Bylaw No. (5) of 2015

Article (1): Scope of application

- a. These instructions shall be called "Instructions of Corporate Governance for Microfinance Companies", and they shall be applied to all microfinance companies operating in the Kingdom, and shall be enforced one year after the date of their issuance.
- b. The foreign microfinance companies branches operating in the Kingdom shall abide by these instructions to the extent applied thereto, or by the code and policies of corporate governance and fit and proper criteria issued by their headquarter (the mother microfinance companies) or regulatory authority in the home country, whichever is more stringent in terms of meeting the goals of corporate governance and fit and proper criteria. in case the latter be the more stringent, the branch must provide the CBJ with supporting documents to prove same, provided that there is no conflict with the regulations. In case of any conflict, the branch shall inform the CBJ and the mother company of such matter, and present the necessary clarification of such conflict, and then obtain the Central Bank's approval on handling such conflict.

Article (2): Definitions

The words and expressions mentioned in these instructions shall have the meanings indicated below, unless the context indicates otherwise:

The Central Bank	:	The Central Bank of Jordan.
The Company	:	Microfinance Company.
The Board	:	The Board of Directors of the company or its Management Committee
The member	:	A member of the company's Board of Directors or a member of its Management Committee, whether serving on his own behalf or as a representative of a legal entity.
Senior Executive Management	:	Includes the general manager of the company or regional manager, deputy general manager or deputy regional manager, assistant general manager or assistant regional manager, Chief Financial Officer "CFO", Chief Operational Officer "COO", Chief Risk Officer "CRO", Internal audit manager, Chief Compliance manager "CCO" and any other employee in the company who has an executive power parallel to the aforementioned powers and is directly reporting to the general manager. This includes persons who occupy these positions temporarily on the basis of assignment or delegation if this is for a period of more than a month.
Sharia Board	:	The Sharia Supervisory Board.
Stakeholders	:	Any party of interest in the company such as shareholders/ partners, employees, creditors, clients, or relevant regulatory authorities.
Corporate Governance	:	The system by which the company is directed and managed, and which aims to define and achieve the corporate goals of the company, to manage the company's operations in a safe manner, to adhere to the due responsibility towards shareholders, partners and other stakeholders, and to adhere to the legislations and internal company policies.
The Independent Member	:	The member who is not subject to any influences limiting his/ her ability to make objective decisions for the benefit of the company and who fulfills the conditions set forth in Article (4 / B) of these instructions.
The Executive Member	:	The member who participates against rewards in the company's day to day management.
Administrator Fit and Proper	:	The member or general manager of the company or any employee therein.
Control	:	The members of the Board, the Senior Executive Management and the Sharia Board shall enjoy credibility, integrity, minimum competence, academic qualifications and practical experience in accordance with the standards contained in these instructions.
Effective interest	:	The direct or indirect capacity to influence effectively the actions and decisions of another person.
Related Parties	:	Control of at least 10 % of the capital of a legal entity.
	:	A person is considered related to the company if either (the person or the company) has a direct or indirect effective interest in the other (a subsidiary of the company is considered among related parties), or if the person is an administrator in the company or has a common business interest with an administrator in the company or if the person is a spouse of an administrator in the company or a relative to this administrator or his/ her spouse up to the third degree relative or has a common business interest with any of them.

Article (3): Corporate Governance Code

- a. The company shall prepare its corporate governance code in a way that is consistent with its needs and policies, and that the code includes, at a minimum, the requirements and conditions set forth in these instructions.
- b. The company must approve the corporate governance code by the Board and send a copy of it to the Central Bank prior to the effective date of these instructions.
- c. The company shall publish its corporate governance code on its website to inform the public, the company's customers and all stakeholders, and to disclose in the annual report the existence of the code and the extent of its commitment of implementing what is stated in it.

Article (4): The Board Composition

- a. The Board should consist of no less than five members.
- b. The number of independent members must not be less than two members or (20%) of the Board, whichever is higher. In the event that there is a fraction in the result of the calculation of the aforementioned percentage, the result is rounded to the next integer. In order for a member to be considered independent, the following are required as a minimum:
 1. He/ she shall not have worked as an employee in the company during the three years preceding the date of appointment/ election.
 2. He/ she shall not be related (up to second-degree relatives) to any of the other Board members or any of the senior executive management members in the company.
 3. He/ she shall not be a shareholder/ partner in the company with a percentage exceeding (5%).
 4. He/ she shall not have held the position of an executive member of the Board or a member of the Board of the group that owns the company or its subsidiaries or of an employee therein during the three years preceding his appointment/ election.
 5. He/ she shall not have been a Board member for more than eight consecutive years.
 6. He/ she shall neither be a partner or employee for the company's external chartered accountant, currently or during the three years preceding the date of his appointment/ election as a member of the Board, and that he/ she shall not be a first- degree relative of the partner responsible for the audit process.

- c. The chairman of the Board must not be a member of the senior executive management.
- d. The chairman of the Board or any of its members must not be unilaterally delegated to part or all of the Board's powers.
- e. The Central Bank may consider any member as non- independent according to its discretion despite the applicability of all the conditions for independence mentioned in Clause (b) of this Article.

Article (5): The duties and responsibilities of the Board and its meetings

- a. The Board shall perform the following duties and responsibilities as a minimum:
 - 1. Defining the strategic goals of the company and directing the senior executive management to prepare a strategy to achieve these goals, and setting action plans that are in line with this strategy, to be approved by the Board.
 - 2. Supervising the senior executive management, following up their performance, ensuring that they apply all policies and regulations of the company, and ensuring that they are aware of the main risks facing the company and that they work to control and monitor them.
 - 3. Ensuring the soundness and solvency of the company's financial positions, adopting suitable policies for supervising and controlling the company's performance, and ensuring that necessary corrective measures are taken at appropriate times.
 - 4. Approving the final financial statements of the company audited by the external chartered accountant and recommending it to the General Assembly for approval.
 - 5. Approving the policies and procedures guide pertaining to the adherence to the provisions and principles of the Islamic Sharia.
 - 6. Approving the credit policy, the policy for handling customers' complaints, and any other policies that the Board deems necessary or required by the relevant legislations.
 - 7. Ensuring the availability of adequate internal control systems, including risk management systems, and periodically and continuously ensuring that these systems are effective, and that the internal auditor and the external chartered accountant review these systems at least once annually.

8. Taking the necessary procedures to ensure that the company complies in all its activities with all relevant legislations and with all the requirements of the Central Bank and the competent authorities.
9. approving a clear, transparent and objective policy that sets out and defines the mechanism and method for selecting and appointing members of the senior executive management, including determining their remuneration, whether in the form of fees, salaries, allowances, bonuses, or any other benefits, and approving the succession plan for the senior executive management, and reviewing this plan at least once a year.
10. Approving the organizational structure of the company showing administrative hierarchy, including the committees emanating from the Board, and approving job descriptions for senior executive management positions.
11. approving a general policy and clear procedures to identify cases of conflict of interests and the necessary measures to avoid their occurrence, and to disclose in writing of any situation that may include a conflict of interests, including reviewing transactions with related parties and assessing their risks.
12. Determining the company's need to contract with experts and consultants based on the recommendation of the senior executive management, and determining their fees and the terms of contracting with them.
13. Approving a code of conduct for Board members and company employees at all levels and job titles, so that this code includes clear principles, policies and controls for work behavior and professional ethics, taking into account - in the case of companies that practice Microfinance in accordance with the provisions of Islamic Sharia – that this code is in line with the ethics standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions. It is the responsibility of the company to take all necessary to verify that all administrators in the company are aware of it.
14. Setting performance evaluation criteria for the senior executive management in accordance with the company's goals and its strategic plan.
15. Holding regular meetings with the senior executive management and discussing the reports submitted by them.

16. Taking adequate steps to ensure the accuracy of the information sent to the Central Bank.
 17. Appointing the Sharia Board for a period of four years, renewable upon the recommendation of the Nomination and Compensation Committee.
- b. The Board meets periodically and whenever the need arises, provided that the number of these meetings is not less than six meetings during the year and that no more than two months pass without a meeting.
 - c. The Board members shall attend personally the Board meetings. If not possible, the member may show his/ her opinion through video, phone, or any means of communication after getting the chairman's approval, and he/ she may also vote on Board's decisions provided that:
 1. Duly document this.
 2. The number of members present personally should not be less than two-thirds of the Board's members.
 3. The member's personal attendance rate is not less than (50%) of the Board's meetings during the year.

Article (6): The chairman of the Board

The Chairman of the Board shall perform the following duties as a minimum:

- a. Establishing a constructive and effective relationship between the Board, the Senior Executive Management and the Sharia Board.
- b. Ensuring that the company applies the best standards of corporate governance.
- c. Ensuring that the senior executive management provides the Board with reports and information periodically and regularly and at appropriate times, and that the Board and the Sharia Board of the company have accurate, sufficient and necessary information before any meeting to enable them to take appropriate and sound decisions that are in the interest of the company.
- d. Encouraging all Board members to participate effectively in discussing all matters pertaining to the company in an atmosphere of mutual trust and open dialogue.
- e. Discussing strategic and important issues in Board meetings extensively.
- f. Ensuring that each member of the Board is provided with the legislations related to the company's work and with the relevant instructions of the Central Bank, and informing him/ her of his/ her responsibilities and duties.
- g. Ensuring that there is a charter that organizes and defines the work of the Board.

- h. Providing each member with sufficient summary on the company's operations on the date of appointment or upon request.

Article (7): The Board secretary

The Board shall appoint a secretary for the Board to carry out the following duties and responsibilities as a minimum:

- a. Scheduling the Board meetings dates and preparing for them.
- b. Preparing all the papers and documents necessary for the Board meetings, and providing each member with copies in a sufficient time before the meeting date.
- c. Attending all Board meetings, writing down all discussions, suggestions, objections, reservations and decisions taken by the Board.
- d. Preparing the minutes of the Board's meetings and decisions and ensuring that all Board members sign them.
- e. Following up the execution of the Board's decisions, and following up the discussion of any topics adjourned from a previous meeting.
- f. Filing the records and documents of the Board meetings.
- g. Providing the Central Bank with fit and proper acknowledgements signed by the Board.

Article (8): Sharia Supervisory Board

- a. The company must appoint a Sharia Supervisory Board, provided that the number of its members is not less than three persons with experience and competence, and its opinion shall be binding on the company.
- b. A letter of engagement must be signed between the company and Sharia Board in which the scope of its work, duties, tasks and financial rewards is specified.
- c. The Sharia Board shall undertake the following duties:
 - 1. Monitoring the company's work and activities in terms of being compliant to the provisions of Islamic Sharia.
 - 2. Giving opinion of contract formulas necessary for its work and activities.
 - 3. Approving the Sharia work procedures guide for all company businesses.
 - 4. Reviewing and approving the annual internal Sharia auditing report and submitting it to the General Assembly and to the audit committee.
 - 5. Giving an opinion of the Memorandum of agreement and the Article of Association and ensuring their consistency with the provisions and principles of Islamic Sharia.
 - 6. Approving the annual internal Sharia audit plan.

7. Studying the notes contained in the internal Sharia audit reports.
8. Considering any matters assigned to it in accordance with the orders of the Central Bank issued for this purpose, and giving an opinion thereon.
9. Ensuring compliance with the Code of Conduct issued by the Accounting and Auditing Organization for Islamic Financial Institutions.
10. Approving the appointment of a resident Sharia observer of the company who has the necessary experience and knowledge, and supervising his/ her work and evaluating his/ her performance, so that he/ she is the Secretary of the Sharia Board and that he/ she undertakes the following duties as a minimum:
 - a. Examining and evaluating the adequacy and effectiveness of the company's Sharia supervisory system.
 - b. Following up the commitment of the company's management to the Sharia aspects, fatwas, and decisions issued by the Sharia Board.
 - c. Setting the annual internal Sharia audit plan and committing to implement its provisions.
 - d. Attending all the Sharia Board meetings and writing down all discussions, suggestions, objections, reservations, and voting methods on the Sharia Board decisions drafts, and filing the records and documents of the Sharia Board meetings.
 - e. Answering the daily questions and inquiries directed to him by the company's employees related to the Sharia aspects of the company's activities.
 - f. ensuring that the Sharia Board members sign on the meetings minutes and decisions, following up the implementation of the fatwa and decisions taken by the Sharia Board, and providing the compliance oversight manager with a copy of these documents for his information and to work according to it.

Article (9): Board Committees

- a. The Board shall form specialized committees from among its members in the fields that require specific expertise, and the Board shall define their powers and monitor their performance.
- b. Each committee must have a work charter approved by the Board that defines its composition, objectives, duties and mechanism of work.

- c. The committee works under the supervision of the Board and submits its reports and recommendations on the results of the exercise of its duties to the Board.
- d. The Board shall form the following committees as a minimum:
 - 1. Audit committee:
 - a. This committee shall consist of at least three members of the Board with appropriate practical experience in the field of the company's business, provided that the number of members of the committee shall not be less than (3) members headed by an independent member, so that the committee shall basically assume the following duties and powers:
 - 1. Reviewing the scope, outcomes, comprehensiveness and adequacy of the company's internal and external audit.
 - 2. Reviewing the accounting issues that have a material impact on the company's financial statements.
 - 3. Reviewing the adequacy and effectiveness of the internal control systems in the company.
 - 4. Approving the annual internal audit plan, reviewing the notes contained in the internal audit reports, and following up the actions taken in their regard.
 - 5. Obtaining any information from the senior executive management, and it has the right to call any person to attend any of its meetings to discuss a specific issue with him.
 - 6. Supervising the internal audit department and reviewing its work results periodically, ensuring that the senior executive management implements the recommendations of the internal audit department, ensuring the strengthening of the independence of internal auditors, and giving them an appropriate level on the career scale of the company.
 - 7. Holding Meetings with the internal auditor, the external chartered accountant as well as the compliance oversight manager of the company at least once during the year without the presence of any of the senior executive management members.
 - 8. Recommending regarding the appointment, acceptance of resignation, and termination of the services of the internal audit department manager.

9. Reviewing the notes contained in the reports of the Central Bank and the reports of the external chartered accountant, and following up the measures taken in their regard.
 10. Recommending to the Board for appointment of the external chartered accountant, terminating his work and his fees and all matters related to that, so that the external chartered accountant has the qualifications and experiences that enable him to perform his duty duly, and to be of good conduct and reputation.
 11. Reviewing the company's financial statements before presenting them to the Board, and in particular verifying the implementation of the Central Bank's orders regarding the provision for expected credit losses or any other provisions in accordance with the instructions in force.
 12. Reviewing and controlling the whistle blowing procedures which enable the employee to speak up in a confidential way about any errors in the financial reports and any other irregularities, and ensuring the availability of arrangements and procedures necessary for independent investigation and ensuring following up investigation outcomes and corrective actions in an objective and independent manner.
 13. Adopting an internal audit charter, so that the charter strengthens the internal audit function, defines its powers and its relationship with other jobs, and provides management support for internal audit in accessing all aspects of the company's business.
- b. The work of this committee should not be merged with any other committee.
 - c. It is not permissible for any member of the audit committee to be a member of any committees emanating from the Board with executive powers.
 - d. A foreign company's branch shall form (by a decision of the parent company's Board of directors) an audit committee consisting of a chairperson and two members of the supervisory departments' managers (Internal audit, risk management, and compliance oversight), and to be chaired by the Internal Audit Department manager in the branch, according to the following:

1. The committee shall carry out the duties and powers stipulated in Clause (D/ 1/ A) of this article.
2. The committee works under the supervision of the audit committee emanating from the Board of directors of the parent company and submits to it its reports and recommendations with the results of the exercise of its duties.
3. If the meeting is related to the work of any of the supervisory departments represented in the committee, the director of the relevant department may not vote on the decisions and recommendations related to that department, and the committee chairman may ask him to leave the meeting. In the event that there is any difference of opinion between the other two members, the matter shall be referred to the parent company's Board of directors or the committee emanating from it.
4. The committee may invite any person for advice on a particular issue.

2. **Risks management committee:**

- a. This committee shall consist of, at least, three members of the Board, provided that they include an independent member, and it may include in its membership in addition to that some members of the senior executive management who are not members of the Board.
- b. The committee shall have the following duties:
 1. Reviewing the company's risk management policy and framework prior to Board approval.
 2. Discussing reports related to risk management and submitting periodic reports to the Board showing the extent to which the existing risks are consistent with the approved policy and the acceptable risk levels.
 3. Ensuring that a business continuity plan is in place, and that it is tested and reviewed at least once a year.

3. **Nomination and compensation committee**

- a. This committee shall consist of, at least, three members of the Board, provided that they include an independent member.
- b. The committee shall have the following duties:

1. Identifying the members qualified to join the Board, taking into consideration the candidates' capabilities and qualifications. In case of a member being re- elected, his/ her attendance and efficient participation in the Board meetings must be considered.
 2. Recommending to the Board qualified candidates to join the senior executive management.
 3. Recommending to the Board qualified candidates to join the Sharia Board.
 4. Determining whether the member fulfills the independent member requirements, taking into consideration the minimum conditions stipulated for in article (4/ b) of these instructions, and reviewing such on annual basis.
 5. Following defined and approved basis in assessing the performance of the Board and its committees, the Sharia Board and the General Manager once a year, based on objective assessment standard.
 6. Providing Board members upon request with the required information and summaries on such important matters in the company, and making sure to keep them up-date of latest topics related to microfinance.
 7. Ensuring the availability of remuneration policy for the administrators in the company, reviewing it periodically, and ensuring its implementation.
 8. Recommending determining the salaries, rewards, and other privileges of the general manager and other senior executive management.
- e. The Board may form other committees with the powers and duties it deems necessary for the company's business.
- f. The committees' members shall personally attend the meetings. If not possible, the member may show his/ her opinion through video, phone, or any means of communication after getting the committee's chairman approval, and he/ she may also vote on decisions provided that:
1. Duly document this.
 2. The number of members present personally should not be less than two- thirds of the committee's members.

3. The member's personal attendance rate is not less than (50%) of the committee's meetings during the year.
- g. It is prohibited to any member of the Board to be the chair of more than one of the committees mentioned in these instructions, and to be a chair of more than two committees of all committees emanating from the Board.

Article (10): General Manager of the company

The general manager shall perform the following duties and responsibilities as a minimum:

- a. Supervising the preparation of the company's policies and submitting them to the Board for approval, and ensuring that the company carries out its operations and activities in accordance with the strategies and policies approved by the Board.
- b. Developing the strategic orientation of the company.
- c. Managing the day to day operations of the company.
- d. Implementing the Board's decisions.
- e. Providing the Board with financial, administrative and other reports that reflect the company's performance.
- f. Ensuring that there is an effective internal control for the company and ensuring compliance with all relevant legislations.
- g. Providing the Central Bank, all other supervisory authorities, the internal auditor, the external chartered accountant of the company and any other legally authorized entity with all documents and information accurately and in a timely manner.

Article (11): Fit and Proper

- a. Members of the Board, senior executive management, and Sharia Board must exhibit exemplary qualities of honesty, integrity, competency, necessary experience and the ability to commit and devote time for the company's activities. The Board and the nomination and compensation committee are responsible to verify such matters.
- b. The approval of the Board must be obtained when appointing, accepting the resignation, or terminating the services of any of the members of the senior executive management and Sharia Board in the company.

- c. The prior non-objection of the Central Bank must be obtained upon nominating any of the Board members, the Sharia Board, the general manager of the company or the regional director, Internal audit manager, and the compliance oversight manager.
- d. The chairman of the Board shall make sure that the Central Bank is notified of any material information that may impact negatively the fitness and properness of any of its members.
- e. The Board shall inform the Central Bank of any significant information that may negatively affect the fitness and properness of any of the members of the senior executive management and the Sharia Board.

Article (12): Fit and Proper Criteria of Board Members

- a. The Board shall adopt an effective policy to ensure the fitness and properness of its members. Such policy shall include the minimum standards, requirements and conditions that are to be fulfilled by the appointed member. This policy shall be subject to periodical review whenever needed. The Board shall also set out adequate procedures and systems to ensure that all members meet these criteria and continue to do such.
- b. whoever holds the position of the chairman and membership of the Board must meet the following requirements:
 - 1. To be of 25 years of age or more.
 - 2. He/ she must be of good conduct and reputation.
 - 3. He/ she shall not be a Board member, general manager, or employee of any other microfinance company operating in the Kingdom, unless the other company is a subsidiary of that company.
 - 4. He/ she shall not be an attorney, legal counselor, or external chartered accountant of the company.
 - 5. All members of the Board shall hold a first university degree, as a minimum, so that the majority of them have a degree in economics, finance, accounting, or business administration.
 - 6. He/ she shall not be a government employee or public official, unless he is representative of them.
- c. The majority of the Board members must have at least a three- year experience in the field of microfinance, banking, financial leasing, or any field related to lending and financing activities.
- d. A member of the Board, as a minimum, in companies that engage in microfinance in accordance with Islamic Sharia provisions must have

knowledge of financing activities that are in compliance with Islamic Sharia provisions.

- e. It is not permissible to elect a chairman or members of the Board in non- profit companies for more than two consecutive terms.
- f. The chairman or Board member shall sign the declaration contained in Appendix No. (1) of these instructions which is to be filed in the company, and copied to the Central Bank with the member's CV attached.
- g. In addition to what is stated in Clause (F) of this Article, all independent members must sign the declaration contained in Appendix No. (2) of these instructions, which is to be filed in the company, and copied to the Central Bank.

Article (13): Fit and Proper Criteria of Senior Executive Management

- a. The Board shall appoint a general manager who has integrity and has technical competency and financial expertise.
- b. whoever is appointed in senior executive management of the company must meet the following requirement :
 - 1. He/ she must be of good conduct and reputation.
 - 2. He/ she must be fully devoted for the management of the company's activities.
 - 3. He/ she shall not be a Board member of any other company that practices microfinance activity in the Kingdom, unless the other company is a subsidiary of that company.
 - 4. All members of the senior executive management shall hold a first university degree, as a minimum, in the disciplines related to the jobs they occupy.
 - 5. He/ she shall have an experience in the field of microfinance, banking, financial leasing, or any field related to lending and financing activities for at least five years for the general manager, and three years for the majority of the senior executive management's members.
- c. Everyone who holds a position in the senior executive management shall sign the declaration contained in appendix no. (3) of these instructions attached to it the documents, all certificates of academics, experience, and good conduct as well as any other necessary supporting documents, which should be filed in the company, and copied to the Central Bank with the member's CV attached.

- d. Subject to the provisions of Article (11/ c), the Central Bank may object to the appointment of any person in the senior executive management if it is found that he/ she does not fulfill any of the conditions mentioned in Clause (B) of this Article.

Article (14): Fit and Proper Criteria of Sharia Board Members

- a. The Board shall adopt an effective policy to ensure the fitness and properness of the Sharia Board members. Such policy shall include the minimum standards, requirements, and conditions to be fulfilled by the member. This policy shall be subject to periodical review whenever needed. The Board shall also set out enough procedures and systems to ensure that all members meet fit and proper criteria and continue to do such.
- b. whoever holds the position of the chairman or membership of the Sharia Board must meet the following requirements:
 - 1. shall hold a first university degree, as a minimum, in Sharia science in the fields of Islamic Fiqh and it's principles, Islamic economy, or Islamic finance.
 - 2. Shall have at least a three year experience in issuing Fatwa and Sharia provisions and/ or experience in teaching or research of no less than four years after graduation.
- c. The chairman or Board members of the Sharia Board shall sign the declaration contained in Appendix No. (4) of these instructions which is to be filed in the company, and copied to the Central Bank with the member's CV attached.

Article (15): Shareholders/ partners' Interests

The company shall provide the shareholders/ partners with all relevant information in sufficient time before the meeting of the general assembly, so that each shareholder/ partner can make sound decisions based on facts and correct and accurate information.

Article (16): Disclosure and Transparency

- a. The Board shall adopt guidelines for disclosure and transparency, which should aim to enhance effective communication with all stakeholders and encourage the effective participation of shareholders/ partners and all relevant persons and entities.
- b. The Board shall ensure the accuracy, correctness and adequacy of the disclosed information, and that the disclosure process takes place in a timely manner and

in a manner that ensures the delivery of all information, especially those that may have an impact on the decisions of the supervisory authorities, shareholders/ partners and stakeholders.

- c. The annual report of the company must include, as a minimum, the following:
1. The Board's report on the financial position of the company during the previous fiscal year.
 2. A detailed report on the company's business during the previous fiscal year, including the total loan/ financing portfolio, other financial and non-financial services, clients numbers, and the rates of repayment, growth and profits.
 3. A summary of the organizational structure of the company.
 4. Information about each member of the Board; qualifications, expertise, the number of shares in the company, whether independent or not, membership in Board committees, date of appointment, any memberships in other companies' Boards, the compensations granted from the company for the previous fiscal year, and any relationships and transactions between the member and the company or those related to any of them, or with the shareholders/ partners who own (5%) or more of the company's capital.
 5. Disclosure of the facilities granted to any of the senior executive management and to any of the shareholders/ partners who own (5%) or more of the company's capital.
 6. Information about each member of the senior executive management; qualifications, expertise, and the date of their appointment.
 7. The ownership structure, including disclosure of the shareholders/ partners who own the shares equity ownership of the company.
 8. A summary of the duties and responsibilities of the Board's committees and any powers that the Board has delegated to those committees.
 9. Number of the meetings of the Board, of its committees, and of the Sharia Board as well as the number of each member's attendance of these meetings.
 10. Information on each member of the Sharia Board; qualifications, expertise, date of appointment, and the jobs he/ she currently occupies.
 11. A summary of the internal control systems and any fundamental weaknesses therein, in addition to a disclosure by the Board that confirms their effectiveness in accordance with the instructions in force.

12. Details of any penalties imposed on the company by any legal authority or regulatory authority and about any risks that may have a material impact on the company.
13. A text stating that the Board is responsible for the accuracy and adequacy of the company's financial statements and the information contained in that report.

Article (17): General Provisions

- a. The company shall provide the Central Bank, as a minimum, with the following:
 1. Information related to Board members, senior executive management members, and members of the Sharia Board, via the attached forms [Appendix no. (5/ A), appendix no. (5/ B), appendix no. (5/ C) and appendix no. (5/ D)] annually, in a deadline not later than the fifteenth of January, and with any amendment that takes place thereof within two working days.
 2. Information related to the shareholders/ partners in the company according to the attached form [Appendix no. (6)] annually, no later than the fifteenth of January, and with any amendment that takes place thereof within two working days.
- b. All that contradicts these instructions are considered canceled including the provisions of articles (4/ F), (9-13) and (26) of the Instructions on Licensing and Existence of Microfinance Companies No. (62/ 2016) dated 10/4/2016.

Governor

Dr. Ziad Fariz

Appendix No. (1)

Declaration and Acknowledgment of the candidate for a membership in the Board of Directors/ Management Committee

I, a candidate for membership in the Board of Directors/ Management Committee in company, in my personal capacity or as a representative of, hereby declare that there wasn't/ there isn't:

1. Solvency:

- a. Declaration of my bankruptcy nor delinquency either in HKJ or elsewhere (In case of rehabilitation, I attach supporting documents).
- b. A court order to seize all or part of my assets
- c. Problems as to my financial position.

2. Honesty, integrity and good reputation:

- a. A Convict in any crime for any act considered against honor, public order and morals, or duty of trust.
- b. Being subject to investigation or accountability by the Central Bank of Jordan or any other regulatory body.
- c. Rejection or withdrawal of any company license in which I was a partner by any regulatory body.
- d. Dismissal from any governmental job due to breach of trust.
- e. Liquidation or bankruptcy of any activity or business in which I was a manager, partner, or related thereto.
- f. Holding a position in any financial institution where I was requested to resign due to breach of trust.
- g. Holding a position of General Manager in a company (whatever its purposes), Board chairman or member therein, or Management Committee chairman or member therein, where this company was subjected to compulsory liquidation.
- h. Facing an order against me by any regulatory entity to ban me from work in microfinance companies.
- i. Failure to abide by any regulatory requirements; inside or outside HKJ.
- j. Offering false or misleading information to any regulatory entity, or was uncooperative, obstructive, deceptive or untruthful in dealing therewith.
- k. Participation in a considerable manner in managing a trade project or company which went in delinquency due to management negligence either partially or in full.
- l. Any conflict of interests between the company and myself.

Additional information, if any, or any other comment on the items stated in the declaration:

If any of the previous items are met, please state the details related to that.

I do hereby declare and acknowledge that all the above information is true, and in case of any further change thereto, I shall provide the company with further information.

Name ----- Signature -----
Date -----

The company attestation

The company confirms that the candidate who signed this declaration is fit and proper for the Board/ Management Committee membership pursuant to the Central Bank requirements. The company, also, certifies that it read this declaration and its enclosures carefully, and that all information in the declaration and enclosures about the candidate are accurate according to its best knowledge.

Company name:

Person in charge (who reviewed the declaration and the enclosures):

Title:

Signature:

Date:

Company seal

Enclosure to the Declaration of the candidate for a membership in the Board of Directors/ Management Committee

1. Personal Information on the candidate

Full name:

Nationality or Nationalities:

Date of birth:

Place of birth:

National No./ or Passport no. and personal no. for a non– Jordanian [A copy of the identification document shall be attached (the identity of the civil status for Jordanians, the passport and the document showing the personal identification number for non-Jordanians)]:

Current residence address:

Permanent residence address:

Telephone number:

E-mail:

2. Details of academic qualifications and professional certificates acquired by the candidate:

academic degree/ professional certificate	Specialty	Country/ Academic institution	Graduation year

3. Companies in which the candidate hold a position of Board/ Management Committee member, or was any of the senior executive management members therein during the last ten years:

Company name	Type of activities	Title	Start date	Date of termination	Cause of termination

Appendix No. (2)

Declaration and Acknowledgment of the independent candidate membership for the Board of Directors/ Management Committee

I, a candidate for membership for the Board of Directors/ Management Committee in company, in my personal capacity or as a representative of, hereby declare that:

1. I was not employed by the company during the three years preceding the date of appointment/ election.
2. I am not related (up to second degree relatives) to any of the other Board/ management committee members or any of the senior executive management members in the company.
3. I am not a shareholder/ partner in the company with a percentage exceeding (5%).
4. I was not an executive member of the Board/ Management Committee or a member of the Board of the group that owns the company or its subsidiaries during the three years preceding my appointment/ election.
5. I was not an employee of the company, the group that owns the company, or any of its subsidiaries during the three years preceding the date of my appointment/ election.
6. I was not a Board/ Management Committee member for more than eight consecutive years.
7. I am not a partner or employee of the company's external chartered accountant, and I was not a partner or employee therein during the three years preceding the date of my appointment/ election as a member of the Board/ Management Committee. Also, I am not a first- degree relative of the partner responsible for the audit process.

Additional information, if any, or any other comment on the items stated in the declaration:

If any of the previous items are met, please state the details related to that.

I do hereby declare and acknowledge that all the above information is true, and in case of any further change thereto, I shall provide the company with further information.

Name -----

Signature-----

Date-----

The company attestation

The company confirms that the candidate who signed this declaration is fit and proper for the Board/ Management Committee independent membership pursuant to the Central Bank requirements. The company, also, certifies that it read this declaration carefully, and that all information in the declaration about the candidate are accurate according to its best knowledge.

Company name:

Person in charge (who reviewed the declaration and the enclosures):

Title:

Signature:

Date:

Company seal

Appendix No. (3)

Declaration and Acknowledgment of the candidate for membership/ member of the senior executive management

I, a candidate for membership/ member of the senior executive management and hold the position of in company, hereby declare that there wasn't/ there isn't:

1. Solvency:

- a. A declaration of my bankruptcy nor delinquency either in HKJ or elsewhere (In case of rehabilitation, I attach supporting documents).
- b. A court order to seize all or part of my assets
- c. Problems as to my financial position.

2. Honesty, integrity and good reputation:

- a. A Convict in any crime for any act considered against honor, public order and morals, or duty of trust.
- b. Being subject to investigation or accountability by the Central Bank of Jordan or any other regulatory body.
- c. Rejection or withdrawal of any company license in which I was a partner by any regulatory body.
- d. Dismissal from any governmental job due to breach of trust.
- e. Liquidation or bankruptcy of any activity or business in which I was a manager, partner, or related thereto.
- f. holding a position in any financial institution where I was requested to resign due to breach of trust.
- g. holding a position of General Manager in a company (whatever its purposes), Board chairman or member therein, or Management Committee chairman or member therein, where this company was subjected to compulsory liquidation.
- h. Facing an order against me by any regulatory entity to ban me from work in microfinance companies.
- i. Failure to abide by any regulatory requirements; inside or outside HKJ.
- j. Offering false or misleading information to any regulatory entity, or was uncooperative, obstructive, deceptive or untruthful in dealing therewith.
- k. Participation in a considerable manner in managing a trade project or company which went in delinquency due to management negligence either partially or in full.
- l. Any conflict of interests between the company and myself.

Additional information, if any, or any other comment on the items stated in the declaration:

If any of the previous items are met, please state the details related to that.

I do hereby declare and acknowledge that all the above information is true, and in case of any further change thereto, I shall provide the company with further information.

Name ----- Signature-----

Date-----

The company attestation

The company confirms that the candidate/ member who signed this declaration is fit and proper to occupy the position pursuant to the Central Bank requirements. The company, also, certifies that it read this declaration and its enclosures carefully, and that all information in the declaration and enclosures about the candidate are accurate according to its best knowledge.

Company name:

Person in charge (who reviewed the declaration and the enclosures):

Title:

Signature:

Date:

Company seal

Enclosure to the Declaration of the candidate for membership/ member of the senior executive management

1. Personal Information on the candidate/ member

Full name:

Position:

Nationality or Nationalities:

Date of birth:

Place of birth:

National No./ or Passport no. and personal no. for a non– Jordanian [A copy of the identification document shall be attached (the identity of the civil status for Jordanians, the passport and the document showing the personal identification number for non-Jordanians)]:

Current residence address:

Permanent residence address:

Telephone number:

E-mail:

2. Details of academic qualifications and professional certificates acquired by the candidate:

academic degree/ professional certificate	Specialty	Country/ Academic institution	Graduation year

3. Companies in which the candidate/ member hold a position of Board/ Management Committee member, or was any of the senior executive management members therein during the last ten years:

Company name	Type of activities	Title	Start date	Date of termination	Cause of termination

Appendix No. (4)
**Declaration and Acknowledgment of the candidate for membership of sharia
supervisory Board**

I, a candidate for membership of Sharia Supervisory Board in
..... company, hereby declare that there wasn't/ there isn't:

1. Solvency:

- a. A declaration of my bankruptcy nor delinquency either in HKJ or elsewhere (In case of rehabilitation, I attach supporting documents).
- b. A court order to seize all or part of my assets
- c. Problems as to my financial position.

2. Honesty, integrity and good reputation:

- a. A Convict in any crime for any act considered against honor, public order and morals, or duty of trust.
- b. Being subject to investigation or accountability by the Central Bank of Jordan or any other regulatory body.
- c. Rejection or withdrawal of any company license in which I was a partner by any regulatory body.
- d. Dismissal from any government office due to breach of trust.
- e. Liquidation or bankruptcy of any activity or business in which I was a manager, partner, or related thereto.
- f. holding a position in any financial institution where I was requested to resign due to breach of trust.
- g. holding a position of General Manager in a company (whatever its purposes), Board chairman or member therein, or Management Committee chairman or member therein, where this company was subjected to compulsory liquidation.
- h. Facing an order against me by any regulatory entity to ban me from work in microfinance companies.
- i. Failure to abide by any regulatory requirements; inside or outside HKJ.
- j. Offering false or misleading information to any regulatory entity, or was uncooperative, obstructive, deceptive or untruthful in dealing therewith.
- k. Participation in a considerable manner in managing a trade project or company which went in delinquency due to management negligence either partially or in full.
- l. Any conflict of interests between the company and myself.

Additional information, if any, or any other comment on the items stated in the declaration:

If any of the previous items are met, please state the details related to that.

I do hereby declare and acknowledge that all the above information is true, and in case of any further change thereto, I shall provide the company with further information.

Name -----

Signature-----

Date-----

The company attestation

The company confirms that the candidate who signed this declaration is fit and proper for the Sharia Supervisory Board membership pursuant to the Central Bank requirements and the company's policy for that. The company, also, certifies that it read this declaration and its enclosures carefully, and that all information in the declaration and enclosures about the candidate are accurate according to its best knowledge.

Company name:

Person in charge (who reviewed the declaration and the enclosures):

Title:

Signature:

Date:

Company seal

Enclosure to the Declaration of the candidate of Sharia Supervisory Board

1. Personal Information on the candidate

Full name:

Nationality or Nationalities:

Date of birth:

Place of birth:

National No./ or Passport no. and personal no. for non– Jordanian Nationality [A copy of the identification document shall be attached (the identity of the civil status for Jordanians, the passport, and the document showing the personal identification number for non-Jordanians)]:

Current residence address:

Permanent residence address:

Telephone number:

E-mail:

2. Details of academic qualifications and professional certificates acquired by the candidate:

academic degree/ professional certificate	Specialty	Country/ Academic institution	Graduation year

3. Companies in which the candidate hold a position of Board/ Management Committee member, or Sharia Supervisory Board member or was any of the senior executive management members therein during the last ten years:

Company name	Type of activities	Title	Start date	Date of termination	Cause of termination

Appendix No. (5/ A)

Chairman and members of the Board of Directors/ Management Committee ofcompany, in their personal capacity or as a representative of the legal person on / /20

No.	The name of the member consisting of four syllables for a natural person and according to the registration certificate for a legal person	Membership status (natural/legal entity)	Name of Representative of legal person (four syllables)	Nationality of the natural member / representative of the legal person	National no. of Jordanian member/ passport no. and personal identification number of non-Jordanian member	shares held of the company's capital (if any)	shares held By the representative of the company's capital (if any)	Date of birth	The date of joining the Board for the natural member or the representative of the legal member	Member's Independency (Independent, not independent)	Academic Qualifications	Work Experience	Membership in committees derived from Board	Membership in other companies' board/management committee inside and outside the Kingdom ¹	Current Positions Outside the company ¹	Notes

Company signature & seal

¹ To be mentioned in detail.

Appendix No. (5/ B)

Legal entity who are members of the Board of Directors/ Management Committee ofcompany on / /20

No.	Name of the legal entity (According to the registration certificate)	The nationality of the legal entity	Legal form	The national number of the entity for the Jordanian legal entity	paid-up capital	Date of joining the Board	The nature of its activity and its purposes	The address	Names of the chairman and members of the Board of directors of the legal entity	Notes

Company signature & seal

Appendix No. (5/ C)

Members of Senior Executive Management ofcompany on / /20

No.	Position	name (four syllables) ²	Nationality of the member	National no. of Jordanian member/ passport no. and personal identification number of non-Jordanian member	Date of birth	Academic qualifications	Work Experience ³	Date of joining the company	Commencement date of work in the current position	shares held of the company's capital (if any)	Membership in Board of directors of other companies as representative of the company ^r	Notes

Company signature & seal

² A representative of the Compliance oversight is indicated.

³ To be mentioned in detail.

Appendix No. (5/ D)
Chairman and Members of Sharia Supervisory Board ofcompany on / /20

No.	member of Sharia Supervisory Board (four syllables name)	Membership status (chairman/member)	The nationality of the member	National no. of Jordanian member/ passport no. and personal identification number of non-Jordanian member	Date of birth	Academic qualifications	Work Experience ⁴	Date of joining the Sharia Board	shares held of the company's capital (if any)	Current Positions Outside the company	Notes

Company signature & seal

⁴ To be mentioned in detail.

