



Jordan Securities Commission

**Instructions
of Dealing with Subscription Rights
for the Year 2006**



Instructions of Dealing with Subscription Rights for the Year 2006

**Issued pursuant to Articles (3/A), (3/B/9) and (12/Q)
of the Securities Law No. (76)
for the Year 2002**



Instructions of Dealing with Subscription Rights for the Year 2006

**Issued pursuant to Articles (3/A), (3/B/9) and (12/Q)
of the Securities Law No. (76)
for the Year 2002**

Article (1):

These Instructions shall be known as (Instructions of Dealing with Subscription Rights for the Year 2006), and shall come into effect as of 1 April 2006.

Article (2):

The phrases and expressions stated in these Instructions shall have the meanings assigned thereto in the Securities Law in force, unless the context indicates otherwise.

Article (3):

The provisions of these Instructions shall regulate dealing with Rights of Subscription of companies' shares which are traded with the Market.

Article (4):

The term Subscription Right, for the purposes of these Instructions, shall mean the right of the issuing company's shareholders to subscribe in capital-increase shares intended to be issued by the company and allocated for its shareholders.

Article (5):

The Subscription Right shall be considered a security tradable in the Market during the period specified in these Instructions.

Article (6):

- A- The Subscription Right shall be for the company's shareholders, as at the end of the fifteenth day following the date of the Board's approval of the registration of capital-increase shares allocated for the company's shareholders.
- B- The prospectus of capital-increase shares allocated for the company's shareholders shall be deemed as prospectus of Subscription Rights after including the information related to such rights therein.
- C- The announcement referred to in Article (5/A) of the Issuance Instructions shall include the dates of commencement and expiration of trading period in Subscription Rights, and shall be issued, at least, before (7) days of the commencement of such period.

Article (7):

- A- The number of Subscription Rights shall be equivalent to the number of capital-increase shares decided to be issued for the company's shareholders through subscription and which were approved by the Board to be registered with the Commission,
- B- The registration of capital-increase shares with the Commission shall be deemed as registration of the Subscription Rights arising therefrom.

Article (8):

- A- The Subscription Rights shall be deemed registered de jure with the Center by the names of its owners as at the end of the fifteenth day from the date of the Board's approval of registration of capital-increase shares.
- B- Subscription Rights shall be deemed listed de jure for trading with the Market as of the first working day following the fifteenth day referred to in paragraph (A) of this Article.
- C- No charges shall be collected by the Center or the Market in return for the registration or listing of Subscription Rights therewith.



Article (9):

- A- Subscription Rights cannot be hypothecated with the Center, and shall not be purchased through margin finance.
- B- Subscription Rights arising out of the margin financed shares shall be accepted as guarantees for margin finance account.

Article (10):

The decisions of suspension or cease of trade in shares shall apply to their Subscription Rights.

Article (11):

The Subscription Right's opening price shall be calculated in accordance with the announced mechanism set by the Market for this purpose with the approval of the Commission.

Article (12):

- A- Trading in Subscription Rights shall commence at the first working day following the emergence of such rights in accordance with Article (6/A) of these Instructions and for a period of (5) working days. The listing of such rights shall be deemed canceled after the lapse of such period.
- B- The right to exercise subscription in the capital-increase shares of the issuing company shall be for Subscription Rights holders as at the end of the period of trading in such rights.
- C- The subscription period shall commence at the fourth working day of canceling the listing of Subscription Rights.

Article (13):

- A- The issuing company shall provide the Center with the names of Subscription Rights owners and the number of the rights that were exercised and the rights that were not exercised.
- B- The Center shall register the unsubscribed shares related to the Subscription Rights that were not exercised in an account by the name of the issuing company for the purposes of their disposal in accordance with the provisions of these Instructions, and the Subscription Rights shall be struck out from the registers of the Center.

Article (14):

- A- The issuing company shall offer to sell the unsubscribed shares through the Market within two months from listing the capital-increase shares in accordance with the shareholders interest and at a price not less than the issuance price added to it the charges and commissions stipulated in paragraphs (B) and (C) of this Article.
- B- The company shall record the resulting outcome of shares sale referred to in paragraph (A) of this Article, less the value of such shares at issuance price and the commissions and charges due on the sale transaction as trusts for shareholders who did not exercise the Subscription Right, each according to his shareholding.
- C- The company may charge administration fees of no more than 1% of the resulting amount of the shares sale mentioned in paragraph (A) of this Article.
- D- If the company could not sell all unsubscribed shares at a price that exceeds the issuance price, the company's board of directors– subject to the Board's approval – may cover the remaining shares in accordance with the company's interest.