



Bases of Procedures Against Listed Companies on the Market which Accumulated Losses Amounting to 50% or Above of its Capital for the Year 2014

Issued in Accordance with the Provisions of Articles (8) and (12) of the Securities Law No. (76) for the Year 2002 and Approved by Virtue of the Board of Commissioners Decision No. (277/2014) Dated September 2.2014

Article (1)

These Bases shall be known as the **(Bases of Procedures Against Listed Companies on the Market which Accumulated Losses Amounting to 50% or Above of its Capital for the Year 2014)** and shall come into effect on September 2.2014.

Article (2)

Subject to the meanings ascribed to the definitions mentioned in the Securities Law, and the regulations, instructions and decisions issued pursuant thereto, the following words and phrases wherever mentioned in these Bases shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

Accumulated Losses: The displacement of the company's losses from the Income Statement for the preceding financial periods reflected in the Accumulated Losses in Ownership Rights Item augmented by the losses of the current financial period.



The Capital: The actual subscribed in and paid up capital in accordance with the provisions of the Companies Law and the company Articles of Association.

The Company: The public shareholding company listed on the Financial Market.

Article (3)

Without prejudice to any of the provisions stipulated in any legislations to which the company is subject to and to any of the authorities of the Board of Commissioners of the Jordan Securities Commission or the Board of Directors of the Amman Stock Exchange, these Bases shall apply to the listed companies on the Market which accumulated losses amounting to 50% and above of its capital.

Article (4)

For Listed Companies on the Market which accumulated losses amounting to 50% and less than 75% of its capital:

- A.** The company which accumulated losses amounting to 50% and less than 75% of its capital shall promptly comply to notify the Commission and the Amman Stock Exchange in writing upon the issuance of the External Auditor's Report on any audited or reviewed financial statements specifying the amount, percentage and causes of such losses.



- B.** The Amman Stock Exchange shall include a reference in its publications to the name of the company which accumulated losses amounting to 50% and less than 75% of its capital.
- C.** The company which reduced its accumulated losses to less than 50% of its capital shall promptly notify the Commission and the Amman Stock Exchange in writing upon the issuance of the External Auditor's Report on any audited or reviewed financial statements.
- D.** The Amman Stock Exchange shall remove the reference pursuant to Paragraph (B) of this Article upon being notified therein that the company has reduced its accumulated losses pursuant to Paragraph (C) above.

Article (5)

For Listed Companies on the Market which accumulated losses amounting to 75% and less than 100% of its capital:

- A.** The company which accumulated losses amounting to 75% and less than 100% of its capital shall comply with the following:
 - 1.** Promptly notify the Commission and the Amman Stock Exchange in writing upon the issuance of the External Auditor's Report on any audited or reviewed financial statements specifying the amount, percentage and causes of such losses.
 - 2.** Prepare and provide the Commission and the Amman Stock Exchange with a Plan of Action approved by the company's Board of Directors for rectifying the company's status within a period not exceeding three months as of the date of notifying the Commission



pursuant to Paragraph (A) Item (1) of this Article. Such Plan shall include full explanation of the proposed procedures, and the financial, operational and investment plans, a statement of cash flows and future projections for at least an upcoming year provided that it is supported by figures within the implementation schedule.

- 3.** Provide the Commission and the Amman Stock Exchange with its audited financial statements or its subsequently reviewed statements including the company's report on implementing its Plan set to rectify its status and reduce its accumulated losses, in addition to its updated projections and figures stated therein and its justifications for any deviation of performance, if any.
- B.** Following the notification to the Commission and the Amman Stock Exchange of the company's accumulated losses pursuant to Paragraph (A) Item (1) of this Article; the Amman Stock Exchange shall suspend the company shares from trading in the Market for one Trading Session when the company accumulated losses amount to 75% and less than 100% of its capital.
- C.** The Amman Stock Exchange shall include a reference in its publications to the name of the company which accumulated losses amounting to 75% and less than 100% of its capital.
- D.** The company which reduced its accumulated losses to less than 75% of its capital shall promptly notify the Commission and the Amman Stock Exchange in writing upon the issuance of the External Auditor's Report on any audited or reviewed financial statements.



- E.** In the event that the accumulated losses of a company continued to amount to 75% and less than 100% of its capital for the period of six months from the date of first realizing such losses, the Board of Commissioners may take the decision to suspend the company's shares from trading in the Amman Stock Exchange.
- F.** The Amman Stock Exchange shall remove or alter the reference, as the case may be, when the company reduces its accumulated losses to less than 75% of its capital in any subsequent audited or reviewed financial statements.

Article (6)

For Listed Companies on the Market which accumulated losses amounting to 100% and above of its capital:

- A.** The company which accumulated losses amounting to 100% and above of its capital shall comply with the following:
- 1.** Promptly notify the Commission and the Amman Stock Exchange in writing upon the issuance of the External Auditor's Report on any audited or reviewed financial statements specifying the amount, percentage and causes of such losses.
 - 2.** Prepare and provide the Commission and the Amman Stock Exchange with a Plan of Action approved by the company's Board of Directors for rectifying the company's status within a period not exceeding three months as of the date of notifying the Commission pursuant to Paragraph (A) Item (1) of this Article. Such Plan shall include full explanation of the proposed procedures, and the financial, operational and investment plans, a statement of cash



flows and future projections for at least an upcoming year provided that it is supported by figures within the implementation schedule.

- 3.** Provide the Commission and the Amman Stock Exchange with its audited financial statements or its subsequently reviewed statements including the company's report on implementing its Plan set to rectify its status and reduce its accumulated losses, in addition to its updated projections and figures stated therein and its justifications for any deviation of performance, if any.
- B.** Following the notification to the Commission and the Amman Stock Exchange of the company's accumulated losses pursuant to Paragraph (A) Item (1) of this Article; the Amman Stock Exchange shall suspend the company shares from trading in the Market for two Trading Sessions when the company accumulated losses amount to 100% and above of its capital.
- C.** The Board of Commissioners of the Commission may suspend the company's shares from trading once its accumulated losses amounted to 100% and above of its capital.
- D.** The Amman Stock Exchange shall include a reference in its publications to the name of the company which accumulated losses amounting to 100% and above of its capital.
- E.** The company which reduced its accumulated losses to less than 100% of its capital shall notify the Commission and the Amman Stock Exchange promptly in writing upon the issuance of the External Auditor's Report on any audited or reviewed financial statements.



- F.** The Amman Stock Exchange shall remove or alter the reference, as the case may be, when the Company reduces its accumulated losses to less than 100% of its capital in any subsequent audited or reviewed financial statements.
- G.** In the event that the Board suspended the company's shares from trading once its accumulated losses amounted to 100% and above of its capital, the Board of Commissioners may allow the company's shares to be traded in the Market, if the company reduces its losses to less than 75% of its capital in subsequent audited annual financial statements. The audited annual financial statements of the company shall demonstrate realizing operational profits for the last fiscal year.

Article (7)

Upon applying the provisions of these Bases, any reservations or observations made by the company's External Auditor in his report to the company's accumulated losses shall be taken into account thereto.