



**Instructions of Securities Depository Receipts Issued Pursuant to the
Provisions of Articles (3), (8) and (12/Q) of the Securities Law No.
(76) for the Year 2002**

Article (1)

These Instructions shall be known as the **(Instructions of Securities Depository Receipts for the Year 2017)** and shall come into effect on the date determined by the Board.

Article (2)

A. The following words and phrases shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

The Commission: The Securities Commission.

The Board: The Board of Commissioners of the Commission.

The Stock Exchange: The Amman Stock Exchange or any Trading Market in Securities licensed by the Commission.

Center: The Securities Depository Center.

The Market: The Amman Stock Exchange or the Foreign Stock Exchange.

The Foreign Issuer: Any foreign legal person issuing securities listed and traded at a Foreign Stock Exchange.



The Jordanian Issuer: Any Jordanian legal person issuing securities traded at the Amman Stock Exchange.

Depository Receipts: Securities issued by a Depository Bank representing securities that are issued by a Jordanian or a Foreign Issuer, such Depository Receipts shall be traded at Financial Markets other than the Financial Markets where their equivalent securities are being listed in. Owners of Depository Receipts are entitled to all the recognized rights of the equivalent securities.

Securities Equivalent to Depository Receipts: Securities issued in equivalence of the Depository Receipts.

Conversion Factor: The number representing the percentage of Depository Receipts in exchange for each security issued in equivalence for such Receipts.

Depository Bank: A legal person licensed to issue Depository Receipts.

Depository Agreement: The agreement concluded between the Issuer and the Depository Bank including information on the Program of Depository Receipts intended to be issued and specifying the rights and obligations of each; the Issuer and the Depository Bank.

Custodian: A legal person licensed to engage in the business of providing safe custody of securities and appointed by the Depository Bank to act as its agent in the other Market.

B. The words and phrases not specified in these instructions shall have the meanings ascribed thereto hereunder in the Securities Law and the



regulations and instructions issued pursuant thereto, unless the context indicates otherwise.

Article (3)

A. The Depository Bank licensed by the Commission who wishes to issue Depository Receipts inside the Kingdom shall submit an application to the Board to register such Depository Receipts attached with the following information:

1. Full details on Depository Receipts, its issuance mechanism and its purpose and the parties participating in issuing such Receipts and all relevant information including the maximum limit of the number of Depository Receipts and the mechanism for issuing and redeeming such Receipts.
2. A prospectus prepared in accordance with the Annex issued by the Commission and prepared by an Underwriter who is licensed by the Commission.
3. A certified copy of the Memorandum of Association, Articles of Association and of the Certificate of Registration of the Foreign Issuer.
4. Official approvals and decisions granted to the Foreign Issuer including approval on issuing Depository Receipts accepted by the Commission.
5. Official approvals of the foreign supervisory entities to which the Foreign Issuer is subject to its supervision, if such approvals are required under the legislations of their countries and which are accepted by the Commission.



6. A copy of the Depository Agreement concluded with the Foreign Issuer including the following information:
 - The specified dates of the issuance of Depository Receipts.
 - The rights of Depository Receipts holders (distribution of free shares, cash dividends, voting mechanism, participation in capital increase by the Foreign Issuer and others).
 - The Conversion Factor.
 - The price for issuing Depository Receipts and the mechanism for specifying it.
 - Fees, expenses and commissions specified for issuing and redeeming Depository Receipts.
 7. The name of the Custodian and a copy of the agreement concluded with him.
 8. Any agreements concluded with other entities relevant to issuing Depository Receipts.
 9. A commitment from the Depository Bank and the Custodian not to dispose of the equivalent securities held by the Custodian thereto as a cover for such Receipts.
 10. Any other data and information the Commission deems necessary.
- B.** The Commission shall notify the Underwriter with its comments on the prospectus within the period of (15) working days from the date of receiving the prospectus to be reviewed by the Jordan Securities Commission.
- C.** The Board shall issue its decision to approve or to reject the registration within the period of (30) days as of the date of filing the



application fulfilling all the requirements specified by the Commission.

Article (4)

Following the issuance of Depository Receipts inside the Kingdom, the Depository Bank shall comply with the following:

1. Promptly notify the Commission in writing upon concluding all issuance procedures of Depository Receipts, of the number and price of Depository Receipts being issued and their equivalent securities, according to the Conversion Factor and of any changes occurring to the mentioned information thereto.
2. Comply with all the provisions of the Securities Law and the regulations, instructions and decisions issued pursuant thereto, including prompt disclosure of any Material Fact that may affect the sustainability of the Depository Receipts.
3. Protect all the rights entitled to Depository Receipts holders and notify them of such rights thereto, including disclosure of all the decisions and information related to the entitlements of those owners once such decisions are taken.
4. Disclose in the local Market all that is being disclosed in the Foreign Market.
5. Fulfill the necessary procedures at the Center and the Stock Exchange upon conducting any transfer processes from and to Depository Receipts.
6. Provide the Commission with any other data and information related to Depository Receipts it deems necessary.



Article (5)

- A.** The Jordanian Issuer who assigns a Foreign Depository Bank to issue Depository Receipts outside the Kingdom in exchange for its shares, may issue such Receipts through:
1. Increase the capital and allocate it to the Depository Bank.
 2. Purchase of shares through the Market by the Depository Bank.
 3. Allocate the Treasury Shares owned by the company to the Depository Bank where in this case, the minimum limit of the retain period as stipulated in the Instructions of Shares Buyback by Public Shareholding Companies “Treasury Shares” shall not apply.
- B.** The maximum limit of the number of shares issued in exchange for Depository Receipts shall not exceed (30%) of the subscribed in and paid in capital of the company, nevertheless the Jordanian Issuer may exceed this percentage if obtained the prior approval of the Board.

Article (6)

- A.** Subject to the provisions of Article (5) of these instructions, the Jordanian Issuer who assigns a Depository Bank to issue Depository Receipts outside the Kingdom, shall submit a written application to the Board to obtain approval, attached thereto the following data:
1. Full details on Depository Receipts and its type, mechanism, purpose of issuing, the parties participating in its issuance, all relevant information and a copy of agreements concluded thereto.



2. The decision taken at the Extraordinary General Assembly meeting to approve the issuance of Depository Receipts in the case of increasing the capital or allocating Treasury Shares to the Depository Bank.
3. A copy of the agreement concluded with the Depository Bank including the following information:
 - The specified dates of the issuance of Depository Receipts.
 - The number of Depository Receipts and its type and the Conversion Factor.
 - The rights of Depository Receipts holders (distribution of free shares, cash dividends, voting rights, participation in capital increase by the Issuer...etc.).
 - The price for issuing Depository Receipts and the mechanism for specifying it.
 - Specify the Foreign Stock Exchange in which the Depository Receipts shall be listed.
 - The fees, expenses and commissions specified for issuing and redeeming Depository Receipts.
 - The expected date to commence trading in Depository Receipts at the Foreign Stock Exchange.
 - The mechanism for offering Depository Receipts outside the Kingdom.
4. The name of the Custodian licensed by the Commission and a copy of the agreement concluded between the Depository Bank and the Custodian.



5. The Foreign Stock Exchange's effective requirements of disclosure and the approval to issue Depository Receipts.
 6. Any other data and information the Commission deems necessary.
- B.** The Board shall issue its decision to approve or to reject the application of the Jordanian Issuer within the period of (30) days as of the date of filing the application fulfilling all the requirements specified by the Commission.

Article (7)

Following the issuance of Depository Receipts outside the Kingdom, the Jordanian Issuer shall comply with the following:

- A.** Promptly notify the Commission in writing upon concluding all issuance and sale procedures of Depository Receipts at the Foreign Stock Exchange, of the number and price of Depository Receipts being issued and their equivalent securities, according to the Conversion Factor and of any changes occurring to the mentioned information thereto.
- B.** Provide the Commission with a monthly report including information on issued Depository Receipts, including information on the trading volume and the price of such Receipts and the number of redeemed Receipts and the issued securities in equivalence thereto.
- C.** Fulfill the necessary procedures at the Center upon conducting any transfer processes from and to Depository Receipts.
- D.** Comply with all the provisions of the Securities Law and the regulations, instructions and decisions issued pursuant thereto,



including prompt disclosure of any Material Fact that may affect the sustainability of the Depository Receipts.

- E. Disclose in the local Market all that is being disclosed in the Foreign Market.
- F. Provide the Commission with any other data and information related to Depository Receipts it deems necessary.

Article (8)

It shall be prohibited to dispose of the securities equivalent to the Depository Receipts as of the date of fulfilling its registration procedures at the Center.

Article (9)

- A. The provisions of the Instructions of Listing Securities issued by the Amman Stock Exchange shall apply when the Depository Bank applies for listing Depository Receipts at the Amman Stock Exchange.
- B. The Amman Stock Exchange shall issue the necessary decisions and requirements to implement the provisions of Paragraph (A) of this Article.

Article (10)

- A. The provisions of the Instructions of Registering and Depositing Securities issued by the Center shall apply when the Depository Bank applies for registering Depository Receipts at the Center.



- B.** The Center shall issue the necessary decisions and requirements to implement the provisions of Paragraph (A) of this Article.

Article (11) General Provisions and Conditions

- A.** The Commission shall be provided with all documents and papers relevant to Depository Receipts in both Arabic and English languages; provided that the version translated to Arabic shall be a certified legal copy.
- B.** The Board shall issue decisions necessary to implement the provisions of these instructions.
- C.** The Board, while considering the applications of Depository Receipts may exempt the applicant from any of the provisions of these instructions.
- D.** The Board shall issue an Annex on the preparation of the prospectus of Depository Receipts.
- E.** The provisions of the Instructions of Issuance and Registration of Securities in force shall apply upon registering and issuing Depository Receipts.