Instructions to Verify Value and Disposal of Re-evaluating Surplus for the Year 2011

Issued Pursuant to Articles (8) and (12) of the Securities Law No. (76) for the Year 2002 by Virtue of the Board of Commissioners Decision No. (40/2011) Dated January 18th.2011 and Amended by Virtue of the Board of Commissioners Decision No. (473/2011) Dated November 2nd.2011

Article (1):

These Instructions shall be known as the **(**Instructions to Verify Value and Disposal of Re-evaluating Surplus for the Year 2011**)** and shall come into effect on January 1st.2011.

Article (2):

A. All Issuing Companies subject to Jordan Securities Commission's monitoring shall comply with applying the International Financial Reporting Standards, subject to complying with the Principles and Procedures stated in these Instructions and the context of Paragraph **(**B**)** of this Article.

B. The Central Bank of Jordan shall take responsibility for regulating the Principles and Procedures to Verify Value and Disposal of Re-evaluating Surplus concerning banks subject to its monitoring.

Article (3):

A. All Issuing Companies shall comply with an early apply to the International Financial Reporting Standard No. **(**9**)** of the fiscal year commencing on January 1st.2011. They shall be prohibited from such on financial statements on December 31st.2010 and of the previous year.

B. Disclosure shall be made in an independent note of changes in accounting policies resulting from the early apply to the International Financial Reporting Standard No. (9) of Financial Instruments and the result from such change in the opening balance of retained earnings (losses) account and the accumulated change in the fair value of investments in financial instruments. Disclosure shall be in numbers of the balance as it is on January 1st.2011 prior to the change and after it and the effect of the change in retained earnings and losses and the accumulated change in the fair value for the investments in financial instruments.

C. Issuing Companies shall be prohibited from disposing of the earnings of re-evaluating surpluses of financial assets assessed in fair value through the profits and losses **(**Trading**)** by distributing or capitalizing or writing off losses or by any means of disposal. This shall be referred to in an independent account as unrealized gains in owners' equity changing statement in the retained earnings account and shall be disclosed in the notes of retained earnings attached to financial statements.

D. Change in fair value to owners' equity instruments assessed in fair value shall be registered via other comprehensive income account **(**Strategic**)** in an independent account in the balance sheet of owners' equity. It shall be prohibited from disposing of the credit balance of this change by distributing or capitalizing or writing off losses or by any other means of disposal of.

E. In case of disposing of any of the owners equity instruments assessed in fair value via other comprehensive income account **(**Strategic**)** by selling or by other means, the realized amount from the change in the fair value shall be transferred to the retained earnings (losses) account.

F. Earnings distributable to shareholders upon distributing dividends shall be excluded from the negative account **(**Debit**)** for the change in the fair value account of owners' equity instruments assessed in fair value via other comprehensive income account **(**Strategic**)**. Disclosure of earnings distributable shall be attached to the notes of financial statements.

Article (4):

A. Accredit the **"**Cost Principle**"** upon applying the International Accounting Standard No. **(**40**)**: **"**Real-estate Investments**"** and subject to fair value disclosure in the notes attached to the financial statements. Companies that in previous years adopted the **"**Fair Value Principle**"** shall amend their results in conformity with the **"**Cost Principle**"** in cooperation with their external auditors.

B. Subject to Item **(**A**)** of this Article, Islamic Companies shall be excluded from applying the **"**Cost Principle**"** in respect of their owned **"**Real-estate Investments**",** in order to expect an increase in their values.

Article (5):

Issuing Companies shall be prohibited from disposing of evaluation and re-evaluation surpluses resulting from applying the International Accounting Standard No. **(**41**)**: **"**Biological Assets**"**. These surpluses shall be referred to in an independent account as unrealized gains in the changes statement of owners' equity in the retained earnings account and shall be disclosed in the note of retained earnings attached to financial statements.

Article (6):

Accredit the **"**Cost Principle**"** upon applying the International Accounting Standard No. **(**16**)**: **"**Properties, Plants and Equipments**"**. Companies that previously adopted the **"**Re-evaluation Principle**"** shall amend their results in conformity with the **"**Cost Principle**"** in cooperation with their external auditors.

Article (7):

Issuing Companies subject to the Jordan Securities Commission's monitoring shall comply with the following in order to prepare their Consolidated Financial Statements:

A. The provisions of these Instructions shall apply to the financial statements of Subsidiary Companies and companies subject to their monitoring.

B. The allowance of Issuing Companies Business Results from Affiliate Companies shall be in conformity with the provisions of these Instructions.

Article (8):

The Instructions of Accounting Principles and Mandatory Standards Related to Evaluating the Fair Value and Disposal of Re-evaluating Surplus for the Year 2007 shall be repealed.