

## **Governance Report for 2023**

### **Corporate Governance Framework**

Jordan Kuwait Bank believes that the existence of good corporate governance leads to good management of the Bank and helps to achieve the Bank's strategic objectives and safely manage its operations in a manner that safeguards the depositors' interests, and ensures the responsibility towards shareholders and other stakeholders. The Bank bases the management and development of its internal corporate governance according to the legislations of the Companies Law in force, the Corporate Governance instructions issued by the Jordan Securities Commission, and the Corporate Governance instructions for banks issued by the Central Bank of Jordan (CBJ), in addition to the provisions and instructions issued by international regulatory authorities pertaining to banking operations and that are in line with the Bank's nature of business and its internal systems.

Jordan Kuwait Bank's Board of Directors affirms its commitment and that of the Bank's executive management and all the employees in implementing the governance instructions. The Bank's adoption of this manual aims to realize the corporate governance principles of fair treatment for all stakeholders; transparency and disclosure of JKB's actual financial and administrative standing; and the relational accountability between the Board of Directors and the executive management, between the Board and shareholders as well as between the Board and various stakeholders. To achieve greater level of disclosure and transparency, the Corporate Governance Manual is annexed to this report and is published on the Bank's website [www.jkb.com](http://www.jkb.com).

In accordance with the instructions of the Central Bank of Jordan, work has begun on the application of the requirements for the Governance and Management of Information and Technology according to COBIT framework.

The Bank's organization and administrative procedures are based on the following principles:

- A board of directors is in place that is effective and responsible.
- A clear strategic direction for business development within clear framework for risk management.
- Sound accounting and information disclosure principles.
- Sound decision making mechanisms.
- Performance evaluation linked to the strategy.
- Human resources development.

## **Board of Directors (BoD)**

The formation of the Board of Directors is governed by the Jordanian Companies Law, the CBJ's Banks Law and Corporate Governance instructions for Banks, and the Governance instructions for listed companies issued by the Jordan Securities Commission.

The main role of the Board of Directors lies in its responsibility of ensuring the soundness of the Bank's operations, including its financial standing, and fulfilling its obligations towards all stakeholders. The Board sets the Bank's strategic objectives that meet the interests of the Bank, shareholders, and customers, and has oversight responsibility over the executive management. It is also accountable for ensuring the effectiveness of internal monitoring and control systems and the extent to which the Bank is abiding by the strategic plans and that written policies covering all of the Bank's activities are endorsed and in place.

The Board of Directors is also responsible for the credibility and accuracy of the Bank's financial reports and the information contained in the Annual Report and ensuring the application of appropriate risks policies as well as compliance with all laws in force.

The current Board of Directors was elected by the General Assembly on May 4, 2021 for tenure of four years. The Board of Directors elected H.E. Mr. Nasser A. Lozi as Chairman and H.E. Sheikha Dana Naser Sabah Al Ahmad Al Sabah as Vice Chairman

## Board Members for the Current Tenure

### A- Members:

Name	Executive / non-executive	Independent/ non-independent	Member status
Mr. Nasser A. Lozi / Chairman	Non – Executive	Non – Independent	Existing member
Mr. Faisal H. Al Ayyar / Vice Chairman	Non – Executive	Non – Independent	Resigned on 18/6/2023
Dr. Marwan Jamil Muasher	Non – Executive	Independent	Existing member
Mr. Hani Khalil Hunaidi	Non – Executive	Independent	Existing member
Dr. Safwan S. Toqan	Non – Executive	Independent	Existing member
Dr. Omar M. Al Jazy	Non – Executive	Independent	Existing member
Mrs. Nadia A. Rawabdeh	Non – Executive	Independent	Resigned on 28/9/2023

### B- Representative Members

Name	Executive / non-executive	Independent/ non-independent	Member status
H.E Sheikha Dana Naser Sabah Al Ahmad Al Sabah Vice Chairman Rep Al Rawabi United Holding Co.	Non – Executive	Non – Independent	Existing member
Mr. Moustapha S. Chami Rep Al Rawabi United Holding Co.	Non – Executive	Non – Independent	Existing member
Mr. Masaud Mahmoud Jawhar Hayat Rep Kuwait Projects Co. (Holding)	Non – Executive	Non – Independent	Existing member
Mr. Marwan M. Awad Rep Social Security Corporation	Non – Executive	Non – Independent	Existing member
Mr. Nidal F. Qubbaj Rep Social Security Corporation	Non – Executive	Non – Independent	Existing member
Mr. Majed F. Burjak Rep Safari Development & Real Estate Investment Co.	Non – Executive	Non – Independent	Existing member
Mr. Bijan Khosrowshahi Rep Odyssey Reinsurance Co.	Non – Executive	Non – Independent	Existing member

## Membership of Board of Directors in Public Shareholding Companies

Name	Board Membership in Public Shareholding Companies
H.E Mr. Nasser A. Lozi	Gulf Insurance Group/Jordan
Mr. Bijan Khosrowshahi	Gulf Insurance Group/Jordan
Dr. Marwan J. Muasher	Masafat For Specialized Transport Co., Ready Mix Concrete & Constructions Supplies Co. , Premier Business & Projects Co.

## Executive Management

Mr. Haethum S. Buttikhi	Chief Executive Officer
Mr. Daoud A. Issa	Chief Operating & Support Officer
Mr. Zuhdi B. Al-Jayousi	Chief Banking Officer
Dr. Makram A. Al- Qutob	Chief Credit Officer
Mr. Ibrahim F. Bisha	Head of Treasury & International Relations
Mr. Suhail A. Salman	Head of Retail Business
Mr. Zeid W. Sharaiha	Head of Investment Business
Mr. Fadi N. Khalil	Head of Corporate Business
Mr. Ibrahim E. Kashet	Head of Legal Affairs
Mr. Maher M. Abu Sa'adeh	Head of Information Technology
Mr. Tareq J. Alkhitan	Head of Operations
Mrs. Manal A. Tubishat	Head of Administrative Affairs
Mr. Ala' Y. Hijazin	Head of Finance
Mr. Fadi M. Ayyad	Head of Compliance
Mr. Mahmoud I. Al Ahmar	Head of Risk
Mr. Yousef W. Hassan	Head of Internal Audit

## JSC Governance Officer

Mr. Fadi M. Ayyad / Head of Compliance

## **Board Committees**

In the aim of organizing the Board of Directors' work and to increase its efficiency and effectiveness, the Board of Directors forms different committees from its members that are delegated with authorities and responsibilities to be in line with the Bank's strategies and goals. The committees' composition, duties and responsibilities have been detailed in the Corporate Governance Manual which is published on the Bank's website and annexed to the Annual Report.

### **1. Corporate Governance Committee (Governance Committee)**

The committee oversees the development of the Corporate Governance Manual, updating it, and monitors its implementation. It ensures that the Bank's organizational structure meets the corporate governance requirements. It also adopts general policies, and raises them to the Board of Directors for approval and supervises their implementation and ensures commitment to the adopted JKB Code of Ethics at the level of BoD and all administrative levels in the Bank. In addition to any other duties included in the Governance instructions for listed companies, through the Corporate Governance Department.

### **2. Risk Committee**

The committee's role is to review the Risk Management's framework and strategy of Risk Management; create suitable work environment that helps in identifying and managing risks with significant impact; and stay abreast with the developments that affect the Bank's operations. The committee reviews reports submitted by the Risk Management Department and submits relevant recommendations to the Board of Directors, illustrating the Bank's commitment to the acceptable risk appetite level. In addition to any other duties included in the Governance instructions for listed companies.

### **3. Compliance Committee**

The committee's role is to ensure the existence of policies and procedures for the bank's compliance with the applicable laws and regulations, recommending to the Board of Directors to adopt the organizational structure of the Compliance Control management and ensuring its independence, ensure that an annual non-compliance risk management plan is in place, assess the degree of effectiveness with which the Bank manages the risk of non-compliance at least once a year and review it should amendments have been made. In addition to any other duties included in the Governance instructions for listed companies.

### **4. Audit Committee**

The committee shall review and ratify the internal audit plan which includes audit scope and frequency. Review internal audit reports and the reports and observations of regulatory bodies and the external auditor and ensure that the executive management takes the corrective measures. The committee also reviews the Bank's financial statements prior to submission to the Board of Directors and ensures that the Bank has properly observed and complied with international accounting and audit standards. In addition to any other duties included in the Governance instructions for listed companies.

### **5.Nominations & Remuneration Committee**

The Committee shall identify eligible persons for board membership and determine members' "independency", provide recommendations to the Board for the appointment of qualified executive management members, evaluate annually the work of the Board as a whole and its committees and members separately, supervise the implementation of performance assessment policy for the executive management and establish a policy for performance appraisal and grant remuneration to the members of the Executive management. In addition to any other duties included in the Governance instructions for listed companies.

### **6.Board Credit Committee**

The Committee's Role includes:

1. Grant, modify, renew and restructure of credit facilities that exceed the authorities of the Management Credit Committee, headed by the General Manager, within the limits set by the Board of Directors. The Board of Directors shall take the decisions in matters exceeding the Committee's authorities.
2. The Committee's authority is limited to taking the right decision regarding the facilities that have been recommended for approval by the Management Credit Committee.

### **7.Information Technology Governance Committee**

The Committee is responsible for approving the Information Technology strategic objectives and appropriate organizational structures, including Steering Committees at Executive Management Level, to ensure the achievement of the Bank's strategic objectives, and realizing the best value-added of IT projects and investments resources while utilizing the tools and standards to monitor and ascertain the extent of achievement. The Committee shall oversee and be apprised of the progress of IT operations, resources and projects to ensure its adequacy and its effective contribution in achieving the Bank's business requirements.

## Audit Committee Members

### Mr. Hani K. Hunaidi, Committee Chair (Independent)

Education:	Master of Business Administration (MBA), Portland State University –USA, 1980 and Bachelor of Business Administration, American University of Beirut. 1973, Certified Public Accountant (CPA).
Current Position:	<ul style="list-style-type: none"> <li>• Chairman of the Board of Trustees, Mediterranean Industries</li> <li>• Chairman of the Board of Trustees, Mediterranean Energy Co.</li> </ul>
Previous Positions:	<ul style="list-style-type: none"> <li>• Chairman, National Ammonia and Chemical Industries (1991- 2009)</li> <li>• Managing Director, Jordan Kuwait Company for Agriculture and Food Products (1986-1992)</li> <li>• Project General Manager, Jordan Management and Consultancy Corp. (1984-1986)</li> <li>• Financial and Administrative Manager, Jordan Securities Corp. (1982-1984)</li> <li>• Auditor, Touch Ross &amp; Co. (1980-1982)</li> <li>• Project Senior Accountant, Consolidated Contractor Company (1976-1978)</li> <li>• Accountant, Safwan Trading &amp; Contracting Co. (1973-1974)</li> </ul>

### H.E. Mr. Marwan M. Awad (Non- Independent)

Education:	Master's degree in economics from Vanderbilt University-USA, 1980, A Diploma of Higher Education in economic development from Vanderbilt University–USA, 1980 and Bachelor degree in Accounting, Jordan University, 1973.
Current Position:	<ul style="list-style-type: none"> <li>• General Manager, First International for Consultation and Arbitration</li> <li>• Chairman, Jordanian Elaf Co. for Integrated Solutions</li> <li>• Chairman, Business Risk Experts Forum</li> <li>• Vice Chairman, World Union of Arab Bankers – Beirut</li> <li>• Member of Board of Trustees, Arab Academy for Banking and Financial Sciences</li> </ul>
Previous Positions:	<ul style="list-style-type: none"> <li>• Minister of Finance (1996-1997)</li> <li>• Secretary General, Ministry of Industry and Trade (1991 – 1993)</li> <li>• Chairman, Social Security Investment Board</li> <li>• Vice Chairman, Royal Jordanian</li> <li>• General Manager and CEO, Jordan Ahli Bank</li> <li>• Manager, Investment and International Relations, Central Bank of Jordan</li> <li>• General Manager and CEO, Middle East Investment Bank</li> <li>• Executive Director, Qatar Islamic Bank</li> <li>• General Manager, Industrial Development Bank</li> <li>• Director and founder, Arab Institute of Banking Studies</li> </ul>

## Dr. Safwan S. Toqan (Independent)

Education: PhD in Economics, University of South California –USA, 1980, Master degree in Economics, University of South California – USA, 1976. Bachelor degree in Business Administration, American University - Beirut, 1966

Previous Positions:

- Member of the 26th Jordanian Senate
- Chairman, Amman Stock Exchange (2012-2013)
- Chairman, Jordan Phosphate Mines Company (2000 – 2004)
- General Manager, Social Security Corporation (1994 – 1999)
- Secretary General, Ministry of Planning (1989 – 1994)
- Assistant Professor, Yarmouk University (1981 – 1989)
- Lecturer, University of South California – USA (1975 – 1980)
- Central Bank of Jordan (1966 – 1975)

## Dr. Omar M. Al Jazy (Independent)

Education: PhD in International Arbitration Act, University of Kent- Canterbury, 2000, Master degree in Law of International Trade, London Metropolitan University, 1994, Bachelor degree in Law, University of Jordan, 1992, Diploma in Nuclear International Law, University De Montpellier, 2017

Current Position:

- Board Member, Government Investments Management Company
- Board Member, Education and Scientific Research Management and Development Company
- Board Member, Arab Foundation for Education, Scientific, Research Management Company
- Board Member, Abdul Hameed Shoman Foundation
- Chairman of the Board of Trustees, Amman Arab University
- Managing Partner, Al Jazy & Co. – Advocates & Legal Consultants
- International Arbitration

Previous Positions:

- Former President of the Jordanian Arbitrators Association
- Board Member, Safwa Islamic Bank – until 01/2017
- Board Member, Military Credit Fund
- Member of the Board of Trustees Committees, King Abdullah II Fund for Development
- Former Vice-Chairman, Jordanian Corporate Governance Association
- Board Member, Aqaba Development Company
- Board Member, Aqaba Airports Company
- Board Member, Social Security Corporation
- Board Member, Specialized Management Co. for Investment & Financial Advisory (12/2016 – 03/2021)



### **Board Committee Member:**

#### **Corporate Governance Committee Members**

Dr. Marwan J. Muasher, Committee Chair (Independent)

H.E Mr. Nasser A. Lozi (Non- Independent)

Dr. Safwan S. Touqan (Independent)

Mr. Moustapha S. Chami (Non- Independent)

#### **Risk Committee Members**

Dr. Safwan S. Toqan, Committee Chair (Independent)

Mr. Nidal F. Qubbaj (Non- Independent)

Mr. Moustapha S. Chami (Non- Independent)

#### **Compliance Committee Members**

Dr. Omar M. Al Jazy, Committee Chair (Independent)

Mr. Hani K. Hunaidi (Independent)\*

Mr. Marwan M. Awad (Non- Independent)

\*Mr. Hani Khalil Hunaidi is the responsible Board Member for the AML/CFT compliance with the Central Bank of Cyprus.

#### **Nominations & Remuneration Committee Members**

Dr. Omar M. Al Jazy, Committee Chair (Independent)

Dr. Safwan S. Touqan (Independent)

Mr. Masaud M. Hayat (Non - Independent)

#### **Board Credit Committee Members**

H.E Mr. Nasser A. Lozi, Committee Chair (Non- Independent)

Mr. Masaud M. Hayat (Non – Independent)

Mr. Moustapha S. Chami (Non- Independent)

Mr. Majed F. Burjak (Non – Independent)

Mr. Nidal F. Qubbaj (Non- Independent)

## Information Technology Governance Committee Members

Mr. Majed F. Burjak, Committee Chair (Non - Independent)

Dr. Marwan J. Muasher (Independent)

Mr. Hani K. Hunaidi (Independent)

Mr. Nidal F. Qubbaj (Non- Independent)

## Board Committee Meetings during 2023:

### Audit Committee

The number of Audit Committee meetings during the year was (9), as follows:

Member	Audit Committee meetings								
	1 <sup>st</sup> 9/2	2 <sup>nd</sup> 21/3	3 <sup>rd</sup> 25/4	4 <sup>th</sup> 20/6	5 <sup>th</sup> 20/7	6 <sup>th</sup> 19/9	7 <sup>th</sup> 22/10	8 <sup>th</sup> 8/11	9 <sup>th</sup> 7/12
Mr. Hani K. Hunaidi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Safwan S. Toqan	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Marwan M. Awad	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓	✓	✓	✓	✓

### Nominations & Remuneration Committee

The number of Nominations & Remuneration Committee meetings during the year was (6), as follows:

Member	Nominations & Remuneration Committee meetings					
	1 <sup>st</sup> 19/1	2 <sup>nd</sup> 22/2	3 <sup>rd</sup> 18/4	4 <sup>th</sup> 22/6	5 <sup>th</sup> 18/7	6 <sup>th</sup> 4/12
Mr. Hani K. Hunaidi	✓	✓	✓	✓	✓	
Dr. Safwan S. Toqan	✓	✓	✓	✓	✓	✓
Mr. Marwan M. Awad	✓	✓	✓	✓	✓	✓
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓	✓

## Corporate Governance Committee

The number of Corporate Governance Committee meetings during the year was (2), as follows:

Member	Corporate Governance Committee meetings	
	1 <sup>st</sup>	2 <sup>nd</sup>
	3/5	30/7
Dr. Marwan J. Muasher	✓	✓
H.E Mr. Nasser A. Lozi	✓	✓
Mr. Moustapha S. Chami	✓	✓
Mrs. Nadia A. Rawabdeh	✓	✓
Dr. Safwan S. Toqan	✓	✓

## Risk Committee

The number of Risk Committee meetings during the year was (6), as follows:

Member	Risk Committee meetings					
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>
	14/2	4/4	7/6	15/8	10/10	5/12
Dr. Safwan S. Toqan	✓	✓	✓	✓	✓	✓
Mr. Nidal F. Qubbaj	✓	✓	✓	✓	✓	✓
Mr. Moustapha S. Chami	✓	✓	✓		✓	✓
Mrs. Nadia A. Rawabdeh	✓	✓	✓	✓		

## Compliance Committee

The number of Compliance Committee meetings during the year was (6), as follows:

Member	Compliance Committee meetings					
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>
	15/2	5/4	12/6	16/8	11/10	6/12
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓	✓
Mr. Hani K. Hunaidi	✓	✓	✓	✓	✓	✓
Mr. Marwan M. Awad	✓	✓	✓	✓	✓	✓

## Information Technology Governance Committee

The number of Information Technology Governance Committee meetings during the year was (4), as follows:

Member	Information Technology Governance Committee meetings			
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
	23/3	10/7	15/10	20/12
Mr. Majed F. Burjak	✓	✓	✓	✓
Dr. Marwan J. Muasher	✓	✓	✓	✓
Mr. Hani K. Hunaidi	✓	✓	✓	✓
Mr. Nidal F. Qubbaj	✓	✓	✓	✓

## Board Credit Committee

The number of Board Credit Committee meetings during the year was (27), as follows:

Member	Board Credit Committee meetings												
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	13 <sup>th</sup>
H.E Mr. Nasser A. Lozi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Masaud M. Jawhar Hayat	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓
Mr. Majed F. Burjak	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Moustapha S. Chami			✓		✓	✓	✓	✓	✓	✓			✓
Mr. Nidal F. Qubbaj	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Member	Board Credit Committee meetings															
	14 <sup>th</sup>	15 <sup>th</sup>	16 <sup>th</sup>	17 <sup>th</sup>	18 <sup>th</sup>	19 <sup>th</sup>	20 <sup>th</sup>	21 <sup>st</sup>	22 <sup>nd</sup>	23 <sup>rd</sup>	24 <sup>th</sup>	25 <sup>th</sup>	26 <sup>th</sup>	27 <sup>th</sup>		
H.E Mr. Nasser A. Lozi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Dr. Masaud M. Jawhar Hayat	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Mr. Majed F. Burjak	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Mr. Moustapha S. Chami	✓	✓	✓	✓		✓		✓	✓	✓		✓	✓	✓		
Mr. Nidal F. Qubbaj	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		

## Audit Committee meetings with the External Auditor and Head of Compliance:

The Audit Committee met with the External Auditor four times during the year, and meeting with Head of Compliance once.

## Board Meetings during 2023:

The Board met (10) times during the year, as follows:

Member	Board Credit Committee meetings									
	1 <sup>st</sup> 12/2	2 <sup>nd</sup> 26/2	3 <sup>rd</sup> 26/3	4 <sup>th</sup> 27/4	5 <sup>th</sup> 18/6	6 <sup>th</sup> 25/6	7 <sup>th</sup> 25/7	8 <sup>th</sup> 24/9	9 <sup>th</sup> 25/10	10 <sup>th</sup> 17/12
H.E Mr. Nasser A. Lozi – <i>Chairman</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Faisal H. Al Ayyar – <i>Vice Chairman</i>			✓							
H.E Sheikha Dana Naser Sabah Al Ahmad Al Sabah								✓		
Mr. Masaud M. Jawhar Hayat	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Mr. Moustapha S. Chami	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Marwan M. Awad	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nidal F. Qubbaj	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Bijan Khosrowshahi	✓		✓		✓		✓		✓	✓
Dr. Marwan J. Muasher	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Mr. Hani K. Hunaidi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Majed F. Burjak	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Safwan S. Toqan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Nadia A. Rawabdeh	✓	✓	✓	✓	✓	✓	✓			

## Board Members' Remuneration

Every Board member receives the sum of JD5,000 (USD7,052) per year as Board membership allowance according to the Companies Law, in addition to allowances in lieu of travel, transportation and Board committees' membership.

**Nasser A. Lozi**  
Chairman

