Company Law

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We, Al Hassan Bin Talal, the Regent
In accordance with Article 31 of the Constitution and pursuant to what has been decided by the House of Senates and the House of Deputies, we hereby ratify the following law and order that it be promulgated and incorporated in the laws of the State:

Definitions and General Rules

Article (1)
This Law shall be cited as the “Companies Law of 1997” and shall be put into effect after the lapse of thirty days from the date of its publication in the Official Gazette.

Article (2)
The following words and expressions, wherever stated in this Law, shall have the meanings hereunder assigned to them, unless the context states otherwise:

The Ministry: Ministry of Industry and Trade.
The Minister: Minister of Industry and Trade.
The Controller: Controller of Companies, appointed by the resolution of the Council of Ministers upon the recommendation of the Minister.
The Underwriter: The Bank or the financial company.
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The Issue Manager: The natural person who represents the Bank or the financial company that undertakes the management of the issuance of shares and corporate bonds.

The Issue Trustee: The person who shall protect the rights of the holders of corporate bonds and who shall represent them and defend their interests.

The Court: Court of First Instance in whose jurisdiction the head office of the Jordanian company or the main branch of the foreign company is located, unless the context provides otherwise.

The Market: Any regular Market in which the securities of the concerned company shall be listed and traded.

The Bank: The Bank or the financial institution licensed to carry out banking activities pursuant to the provisions of the legislations in force.


Article (3)
The provisions of this Law shall apply to companies practicing commercial activities and to matters dealt with by the provisions hereof. If nothing is contained herein with respect to any such matter, then reference shall be made to the Commercial Code. If not included therein, reference shall be made to the Civil Code, and if not included therein, then commercial practice shall be applied, otherwise the judge shall be guided by legal judgment, jurisprudence, and the principles of justice.

Article (4)
The formation and registration of companies in the Kingdom shall be effected in accordance with this Law. Every company formed and registered under this Law shall be considered a Jordanian corporate body and its head office shall be in the Kingdom.

Article (5)

a) No company shall be registered with a name chosen for a fraudulent or an illegal objective. No company shall be registered with the name of another entity already registered in the Kingdom, or with the name so similar thereto that may lead to confusion or deception. The Controller may reject the registration of a company with such name in any such cases.

b) Any company may submit a written objection to the Minister, within sixty days from the date of the publication of the decision to register another entity in the Official Gazette, for cancellation of the registration of such other company, if the name under which it is registered is similar to its name or resembles it to the point that would lead to confusion or deception. The Minister after giving the company, whose registration is contested, time to submit its defence within the period specified by him, will issue his decision to cancel the registration of the other company if he is convinced by the reasons for the objection to its registration, and the company does not amend its name and remove the reasons for the objection. Any party aggrieved by this decision may appeal to the High Court of Justice within thirty days from the date of the publication thereof in one of the local daily newspapers.

Article (6)
Subject to the provisions of Articles (7) and (8) of this Law, companies registered under this Law shall be divided into the following types:

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a) General Partnership
b) Limited Partnership
c) Limited Liability Company
d) Limited Partnership in Shares
e) Public Shareholding Company

Article (7)
a) Companies established in the Kingdom pursuant to agreements concluded by the Government with any other state and the joint Arab companies emanating from the Arab league or the institutions or organizations affiliated thereto shall be registered with the Controller in a special register prepared for this purpose. These companies shall be subject to the provisions and conditions stated in this Law in the circumstances and issues not stipulated in the agreements and contracts under which they were established and in matters not contained in the Memorandums of Association relating thereto.

b) Companies operating in the free zones shall be registered with the Free Zones Corporation and in the registers prepared by it for that purpose in co-ordination with the Controller. The Laws and regulations in force in this Corporation shall be applied thereto provided that the Corporation shall send a copy of the registration of these companies to the Controller in order for him to document the registration of investors in the free zones with the Ministry.

c) Civil Companies

1-Civil companies shall be registered with the Controller in a special register named “Register of Civil Companies”. Such companies are the companies established among specialised and professional partners and shall be subject to the provisions of the Civil Code, the provisions of the laws pertaining thereto and to their internal Articles and Memorandum of Association.

2-New partners of the same profession may be admitted to such companies or partners may withdraw therefrom. These companies shall not be subject to the provisions of bankruptcy and preventive bankruptcy arrangements.

3-The provisions set forth herein shall apply to the registration of these companies and the amendments effected thereon to the extent that they do not contradict with the provisions of the laws and regulations relating thereto.

d) Non-profit companies may be registered in accordance with one of the types of companies provided for herein and pursuant to the provision set forth in their Articles and Memorandum of Association and shall be registered in a special register with the Controller named “Register of Non-Profit Companies”.

Article (8)

Notwithstanding anything stipulated in this Law:

a) Any establishment, authority or public official body, by virtue of a resolution of the Council of Ministers, upon the recommendation of the Minister, the Minister of Finance and the appropriate Minister, may be converted into a Public Shareholding Company operating under commercial basis where the government owns all of its shares, with the exception of the establishment, authority or public body established by virtue of a special law, in which case the special law pertaining thereto should be amended before converting it to a Public Shareholding Company in accordance with the provisions of this Article.

b) The capital of such company shall be determined by re-evaluating the moveable and immovable assets of the establishment, authority or body in accordance with the
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provisions of the Law, provided that the members of the re-evaluation committee shall include at least one licensed auditor. The value of such assets shall be considered cash shares in the company's capital.

c) The Council of Ministers shall appoint a special committee that shall prepare the company's Articles and Memorandum of Association including the method for selling and trading its shares and completing the procedures for converting the establishment, authority or public official body into a Public Shareholding Company and the registration thereof in such capacity in accordance with the provisions of this Law.

d) Upon the conversion of the establishment, authority or public official body into a company and the registration thereof in such capacity, the Council of Ministers shall appoint its Board of Directors to conduct the affairs thereof and to carry out all powers entrusted thereto under this Law.

e) The company established in the aforesaid manner shall be subject to the terms and conditions stipulated in this Law in the circumstances and matters not provided for in its Articles and Memorandum of Association and shall appoint its independent auditor.

f) The company established in the aforesaid manner shall be considered a general successor for the establishment, authority or public official body which has been converted and shall supersede it legally and actually in all its rights and obligations.

CHAPTER ONE
Formation and Registration of General Partnerships

Article (9)

a) A General Partnership shall consist of a number of natural persons, of not less than two and not more than twenty, unless the increase is due to inheritance, provided that such an increase is in compliance with the provisions of Articles (10) and (30) of this Law.

b) No person may be a partner in a General Partnership unless he is at least eighteen years of age.

c) A partner in the General Partnership will acquire the capacity of a merchant and shall be considered as practicing commercial business in the name of the Partnership.

Article (10)

a) The title of the General Partnership shall consist of the names of all the partners, or of the title or surname of each of them or of the single name or more of the partners or his title, provided that, in this case, the phrase “and his partners” or “and partners” is added to his name or their names, as the case may be, or what would lead to the meaning of this phrase. The title of the Partnership shall always comply with its existing status.

b) The General Partnership may have its own trade name provided that the said name must be associated with the title under which the Partnership is registered and both shall appear on all the documents and papers issued by the Partnership and on its correspondence.

c) If all or some of the partners in the General Partnership die and the title of the Partnership was registered in their names, their heirs and the surviving partners may - with the approval of the Controller - keep the Partnership's title and use same if he finds that the Partnership's title has acquired goodwill.
Article (11)
The General Partnership shall be registered in the Kingdom pursuant to the following procedures:

a) An application for registration shall be submitted to the Controller together with the original Partnership agreements signed by all the partners and with a statement signed by each of them before the Controller or the person authorized by him in writing. This statement may be signed before the Notary Public or a licensed lawyer.

The Partnership agreement and the Memorandum of Association must include the following:
1- Title of the Partnership and its trade name, if any.
2- Names of the partners, nationality, age and address of each of them.
3- Head office of the Partnership.
4- The Partnership's capital and each partner's share therein.
5- Objectives of the Partnership.
6- Duration of the Partnership.
7- Name of the partner or names of the partners authorized to manage and sign on behalf of the Partnership and their powers.
8- The position of the Partnership in event of the death of any or all of its partners, his bankruptcy or if he is declared incompetent.

b) The Controller shall issue his decision approving the registration of the Partnership within fifteen days from the date of the submission of the registration application. The Controller may, however, reject the said application if there is evidence in the Partnership agreement or in the Memorandum of a violation of this Law, public order or the provisions of all legislations in force and if the partners do not take action to rectify the said violation within the period determined by the Controller. The partners may submit an objection to the Minister against the rejection decision of the Controller within thirty days from the date of notifying them of the said rejection. Should the Minister decide to decline the objection, the objectors shall have the right to contest his decision before the High Court of Justice within thirty days from the date of their notification of the Minister's decision.

c) If the Controller approves the registration of the Partnership or if the approval was obtained by a decision of the Minister or the High Court of Justice, pursuant to the provisions of paragraph (b) of this Article, the Partnership shall be registered after collection of the registration fees and the Controller will issue to the Partnership a registration certificate which will be considered as official evidence in all legal procedures. The Partnership must maintain it in a visible place in its head office and the Controller shall also publish an announcement of the Partnership's registration in the Official Gazette. The General Partnership is not allowed to commence its operations or to exercise any of them except after its registration and payment of the fees due thereon in accordance with the provisions of this Article, and in conformity with all the provisions of this Law and the regulations issued in accordance therewith.

Article (12)
The Controller shall keep a special register in which all
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General Partnerships are registered in serial numbers and in chronological order according to their registration dates. The alterations or amendments that may occur to any of the said Partnerships shall be recorded therein. Any individual may, upon payment of the required fees, review the said register after obtaining the prior approval of the Controller if the latter is convinced that such individual has a special interest in the register.

Article (13)

A General Partnership shall have the right to change its title or to modify it with the approval of the Controller. The application in this regard shall be signed by all partners. This change or modification shall not affect the rights and obligations of the Partnership. It will also not be a reason to nullify any legal act, judicial proceedings or action carried out by others towards the Partnership. The Partnership should request from the Controller to register the change in its title or the revision made by it thereon in the special register of General Partnerships, within seven days from the date of that action, after payment of the prescribed fees and its publication in the Official Gazette and in at least one of the local newspapers, at the expense of the Partnership.

Article (14)

If any change or amendment is made to the Partnership agreement or to its Memorandum, the Partnership must request the Controller to record that amendment or change in the special register of General Partnerships, within thirty days from the date of the change or amendment. All procedures for approval, registration and publication prescribed in this Law shall be carried out. The Controller shall have the right to publish any amendment or change which may occur to the Partnership and deemed necessary by him at the expense of the Partnership in one of the local newspapers.

Article (15)

Failure to comply with the registration procedures stipulated in Articles (11), (13) and (14) of this Law would not preclude the assertion of the actual existence of the Partnership, determine the changes effected thereto for the interest of third parties or uphold the invalidity of the Partnership or change for the interest of third parties. No partner shall benefit from such failure and each partner shall be jointly liable with the Partnership and the remaining partners vis-à-vis third parties for any damage resulting therefrom.

Article (16)

a) Subject to the provisions of paragraph (b) of this Article, the Partnership agreement shall determine the rights and obligations of the partners ensuing therefrom. However, if the agreement does not state the manner in which the profits and losses have to be distributed to the partners, then same shall be distributed to the partners on a pro rata basis in proportion to the shareholding of each one of them in the capital of the Partnership.

b) The partners of the General Partnership may agree to change or modify their rights and obligations towards each other under the Partnership agreement or any other document. This shall be governed by the provisions of registration and publication in the Official Gazette stipulated in this Law.

CHAPTER TWO

Management of General Partnerships and Relationship of the Partners one another and with others

Article (17)
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a) Any partner shall have the right to take part in the management of the General Partnership and the Partnership agreement shall specify the names of partners who are authorized to manage the Partnership and sign on its behalf and their powers. The authorized person shall carry out the operations of the Partnership in accordance with the provisions of this Law and the regulations issued in line therewith and within the authorities delegated to him and the rights given to him under the Partnership agreement. The authorized person shall not have the right to receive any remuneration or wages in return for his work in the management of the Partnership except with the approval of all other partners.

b) Any partner authorized to manage the affairs of the General Partnership and to sign on its behalf shall be considered as its agent and the Partnership shall be committed to the actions he undertakes on its behalf and to the results arising from the said actions. However, if the partner is not authorized and carried on any work in the name of the General Partnership, then the Partnership shall be responsible for his actions towards a bona fide third party and shall claim compensation from him for all the losses and damages that may have been incurred thereby as a result of his action.

Article (18)

a) Any person authorized to manage the General Partnership, whether a partner or not, must discharge his duties for its account honestly and faithfully, safeguard its rights and protect its interests. He should also present to the partners on a periodic basis or upon the request of all or any one of the partners complete and correct reports of the Partnership's operations in addition to detailed information and data thereon.

b) The person authorized to manage the General Partnership shall be responsible for any harm he may cause to the Partnership or for any damage incurred thereby due to his negligence or failure in carrying out his duties. That person shall be relieved of his responsibility after the lapse of five years from the date his service in the management of the Partnership is terminated for any reason whatsoever.

Article (19)

a) The person authorized to manage the General Partnership must furnish all the partners with the following documents whether or not he has been requested to do so by the partners and within three months from the date his service in the management of the Partnership ends:

1- A statement showing every benefit he gained whether in cash or in kind or any rights he obtained or acquired as a result of any work relating to the Partnership which he has conducted or exercised in the course of his management of the Partnership and which he had kept for himself including any benefits which he gained through the exploitation of its title, trademark or goodwill. The said person shall be obliged to refund the full value or amounts of profits he earned and compensate the Partnership for all the harm sustained thereby including interest, expenses and costs incurred by the Partnership.

2- A statement of any funds or assets which belong to the Partnership and which he has put at his disposal or for his own use for the purpose of using or exploiting the said property for his own benefit. The said person shall be obliged to return such funds or assets to the Partnership and shall be liable for any loss or damage incurred thereby. He must also compensate the Partnership for any harm or damage
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incurred thereby and for the loss of profit incurred by the Partnership as a result of the above.

b) The provisions provided for in paragraph (b) of Article (18) of this Law regarding the discharge of responsibility shall not be applicable to the acts stipulated in this Article. Such provisions also do not include anything that prevents the person who commits the abovementioned acts from assuming penal liability pursuant to any other law.

Article (20)
a) If the person authorized to manage the Partnership was a partner therein and was appointed in the Partnership agreement in his capacity as such or under a special contract, then he may not be discharged of his duties except with the approval of all partners or by virtue of a decision to be issued with the majority of more than one-half of all partners unless the Partnership agreement provides otherwise.
b) The authorized partner may be dismissed with a decision to be issued by the competent Court at the request of any partner if the Court finds a cause justifying such dismissal.
c) The dismissal of the person authorized to manage the Partnership in any of the cases mentioned in paragraphs (a) and (b) of this Article shall not result in the dissolution of the Partnership.

Article (21)
A partner in a General Partnership shall not be permitted to undertake any of the following actions without obtaining the prior written consent of all the remaining partners:

a) To enter into any undertaking with the Partnership to carry out any business whatsoever on its behalf.
b) To enter into any undertaking or agreement with any person if the subject-matter of the undertaking or the agreement falls within the objectives and activities of the Partnership.
c) To engage in any business or activity which competes with the Partnership’s business or activity whether he carried out the said business or activity for his own benefit or for the benefit of others.
d) To participate in any other company which carries out businesses similar to those of the Partnership or to assume the responsibility of managing such companies. This is not applicable to mere ownership of shares in public shareholding companies.

Article (22)
The General Partnership shall be liable for all the expenses and costs incurred by the person authorized to manage the Partnership in the course of conducting its operations or for any loss or damage sustained by him due to undertaking any business for the benefit of the Partnership or for the protection of its assets and rights, even if the said person did not obtain the prior approval of the partners therefor.

Article (23)
The partners in a General Partnership shall not have the right to expel any of them from the Partnership except by a Court ruling upon the request of any one of the partners.

Article (24)
a) The Partnership undertakes to keep its books of account, records and registers at its head office or at any place where it carries out its activities. If the capital of the Partnership is ten thousand Dinars or more, it undertakes to keep duly organized books of accounts and records. Each partner shall have access to such books, records and registers either personally or by delegating, in writing, any other
experienced and specialized person to do so and to obtain copies or extracts therefrom. Any agreement to the contrary shall be null and void.

b) The General Partnership, whose capital is one hundred thousand Dinars or more, undertakes to appoint a licensed auditor to be elected by the majority of the partners.

Article (25)

a) The General Partnership shall be bound by any act undertaken by any person authorized to manage it or to carry out such act and by any documents signed by him in the name of the Partnership whether such person is a partner or not.

b) The person authorized to manage the Partnership shall be considered a party with an interest and authorized to file lawsuits in the name of the Partnership unless the Partnership’s agreement provides otherwise.

Article (26)

a) Subject to the provisions of Article (27) of this Law, the partner in the General Partnership shall be jointly and severally liable for all the Partnership’s debts and obligations which become due on the Partnership during the period he is a partner therein. Each partner shall guarantee the Partnership’s debts and obligations by his own private properties. This liability and guarantee shall be transferred to his heirs after his death within the limits of the amount inherited.

b) Anyone who pretends either verbally or in writing to be a partner in the General Partnership or acts as such or deliberately allows others to believe as such shall be responsible to any party who becomes a creditor to the Partnership as a result of his belief in that pretense.

Article (27)

A creditor of the General Partnership may sue the Partnership and its partners. However, he may not levy execution on property of partners for collecting his debt except after having levied execution on the property of the Partnership. Should such property prove to be insufficient for settlement of his debt, then the creditor may file lawsuit against the partners’ own property to settle the amount remaining of that debt. Each partner shall have the right to compensation from other partners in proportion to the percentage paid by him for each one of them out of the Partnership’s debt.

Article (28)

a) Any partner in the General Partnership may voluntarily withdraw therefrom if the duration of the Partnership is not limited, in such case he must abide by following:

1- Inform the Controller and the remaining partners of his intention to withdraw from the Partnership by serving them with a written notice through registered mail. The withdrawal shall be considered effective as from the day following the publication of same by the Controller in at least two local daily newspapers at the expense of the withdrawing partner. Withdrawals will only be effective against others from this date.

2- The withdrawing partner shall continue to be, together with the remaining partners, jointly and severally liable for all the Partnership’s debts and obligations incurred by it prior to his withdrawal therefrom. The withdrawing partner shall be considered as guarantor of the said debts and obligations in his private properties, together with the remaining partners, in accordance with the provisions
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3. The withdrawing partner shall be responsible towards the Partnership and the remaining partners for any harm or damage sustained by the Partnership or the partners as a result of his withdrawal from the Partnership, and he shall also be responsible to compensate for such harm or damage.

b) If the General Partnership is of limited duration, then none of the partners are allowed to withdraw therefrom during that period except with a Court judgment.

c) Should the provisions of paragraphs (a) and (b) of this Article apply, then the remaining partners must make the necessary amendments to the Partnership agreement and make the necessary changes to its status in accordance with the provisions of this Law.

d) In case a partner withdraws from the Partnership in accordance with the provisions of paragraph (a) of this Article and the Partnership was composed of two persons then this will not lead to dissolution of the Partnership and the remaining partner should admit one or more new partners to the Partnership to replace the withdrawing partner within three months from the date of withdrawal. Failing to do so within such period will result in the dissolution of the Partnership by operation of Law.

Article (29)

a) One or more new partners may be admitted to the Partnership with the approval of all the partners unless it is stated otherwise in the Partnership agreement. The new partner shall become liable for all debts and obligations that become due on the Partnership after his admittance thereto and shall also be considered as guarantor of the said debts and obligations with his personal properties.

b) The provisions of paragraph (a) of this Article shall apply to any new partner admitted to the Partnership as a result of the relinquishing by one of the other partners to him of his share or a part thereof in the Partnership. In this case, the provisions of clauses (2) and (3) of paragraph (a) of Article (28) of this Law shall be applicable to the withdrawing partner.

Article (30)

a) Unless the Partnership agreement or any other agreement signed by all partners prior to the death of a partner provides otherwise:

1- The Partnership shall remain existing and shall continue to exist in the event of the death of one partner therein.

2- Any of the heirs of the deceased partner wishing to join the Partnership may do so, each in proportion to the percentage of shares devolved upon him from the share of his devisor, in the capacity of general partners if they meet the conditions required in the general partner in accordance with the provisions of this Law.

3- If one of the heirs of the deceased partner is a minor or is legally incompetent he shall be admitted to the Partnership as a limited partner and the Partnership shall, by operation of the Law, be converted to a Limited Partnership.

b) If the General Partnership continues to operate following the death of any of its partners without there being in its agreement or any other agreement signed by all partners prior to the death of the partner any express provision that does not allow the Partnership to continue in existence and it continues to exist, then the heirs of the deceased partner shall not be liable for any of the debts and obligations that become due on the Partnership following his death.
Article (31) If one of the partners in the General Partnership becomes bankrupt, then the creditors of the Partnership shall have the priority over his private creditors in his bankruptcy. But if the Partnership becomes bankrupt, then its creditors shall have priority over the private creditors of the partners.

CHAPTER THREE
DISSOLUTION AND LIQUIDATION OF A GENERAL PARTNERSHIP
Article (32) A General Partnership shall be dissolved in any of the following circumstances:

a) When all partners agree on the dissolution of the Partnership or on its merger with another General Partnership.
b) Expiration of the Partnership's term, whether its original term or the extended term as per the agreement of all partners.
c) Completion of the objective for which it was formed.
d) When only one partner remains in the Partnership subject to the provisions of paragraph (d) of Article (28) of this Law.
e) Declaring the Partnership bankrupt, in which case this will result in the consequent bankruptcy of the partners.
f) Declaring one of the partners as bankrupt or legally incompetent unless all remaining partners decide to keep the Partnership between themselves in accordance with the Partnership agreement.
g) Dissolution of the Partnership by a Court order.
h) Canceling the registration of the Partnership upon the Controller's resolution in accordance with the provisions of this Law.

Article (33) a) The Court shall consider the dissolution of a General Partnership pursuant to a legal action filed by one of the partners in any of the following circumstances:

1- If any of the partners commits a major continuing breach of the Partnership agreement or causes substantial damage to the Partnership as a result of committing a serious default, fault or negligence while managing the Partnership's affairs or while looking after its interests or safeguarding its rights.

2- If the activities of the Partnership can only be carried out at a loss for any reason whatsoever. If the Partnership loses all of its properties or a big portion thereof of making the continuity of its activities unfeasible.

3- If disagreements between partners occur thus rendering the continuity of the Partnership among them impossible.

4- If any of the partners becomes permanently incapable of performing his duties towards the Partnership or fulfilling his obligations thereto.

b) The Court may, in any one of the events mentioned in paragraph (a) of this Article, either decide to dissolve the Partnership or decide that it continue to carry on its business after the expulsion of one or more partners therefrom if such an expulsion, at the discretion of the Court, will lead to the continuity of the operations of the Partnership in a normal manner that meets the interests of both the Partnership and the remaining partners and safeguards the rights of others.

Article (34) a) Should the Partnership cease to carry out its operations, the authorized partner or any partner therein
shall notify the Controller of that within a period not exceeding thirty days from the date its operations cease. All if the Controller finds that the Partnership has ceased to carry out its operations, he may either grant the Partnership a grace period to resume its operations within the period determined by him or he may decide to cancel the registration of the Partnership and announce that in the Official Gazette and in a daily newspaper for at least one time and at the expense of the Partnership without affecting the liability of the Partnership or the partners therein of their obligations towards third parties or without affecting those obligations until the date of the cancellation of the registration of the Partnership is announced.

b) Any party aggrieved by the Controller’s decision to cancel the registration of the General Partnership, may, within thirty days from the date of publication in the Official Gazette of the decision, contest the cancellation before the High Court of Justice. The execution of the cancellation decision shall cease upon contesting it and the judgment of the Court in this case shall be final. The Controller must publish the said Court judgment in the Official Gazette as soon as he is notified thereof.

Article (35)
a) Any Partnership that has been dissolved for any of the reasons stipulated in this Law shall be considered in a state of liquidation and the funds thereof shall be liquidated and distributed amongst the partners as agreed upon in the Partnership agreement or any other document signed by all partners. Should there be no such agreement between the partners, then the liquidation of the Partnership and the distribution of its funds amongst the partners shall be governed by the provisions of this Law.

a) A General Partnership which is under liquidation shall retain its corporate body, to the extent necessary for the liquidation and its procedures. The authority of the person authorized to manage the Partnership shall, in this case, be terminated whether he is one of the partners or an outsider.

Article (36)
If the liquidation of the Partnership has been voluntary and with the agreement of all partners, then a liquidator shall be appointed and the partners shall determine his remuneration. Should a dispute arise between them regarding this matter, then the liquidator shall be appointed and his remuneration will be determined by the Court upon the request of any or all of the partners. However, if the Partnership has been dissolved by law or by a Court decision, then a liquidator shall be appointed by the Court which shall also determine his remuneration.

Article (37)
a) The liquidator of a General Partnership must commence his work by preparing a list which includes all the funds and assets of the Partnership, and must also specify all its rights due from others and obligations due to others. The liquidator is neither authorized to relinquish any of the Partnership’s funds, rights or assets nor to dispose of any of them except with the prior approval of all partners.

b) The liquidator is not authorized to carry out any new business for the Partnership or in its name except what is needed and necessary for the completion of any undertaking which has been previously commenced by the Partnership.

c) The liquidator shall be personally liable for any violation of the provisions of this Article.

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Article (38)
The liquidator must comply with all the legal and practical procedures needed for the liquidation of the General Partnership in accordance with the provisions of this Law, or any other legislation which he deems appropriate to apply, including collection of debts due to the Partnership and repayment of debts due by the Partnership, in order of priority as determined by law.

Article (39)
a) The following rules and provisions shall be observed in settling the rights among the partners after the dissolution of a General Partnership and placing it under liquidation, and the funds and assets of the Partnership including the funds offered by the partners for the purpose of such settlement and as a part thereof in the following order:

1. Liquidation costs and the remuneration of the liquidator.
2. Amounts due by the Partnership to its employees.
3. Amounts due by the Partnership to the public treasury.
4. The Partnership’s debts to creditors other than the partners provided that the rights of preference are observed when repaying same.
5. Loans advanced by partners to the Partnership which were not part of their shares in its capital.

b) Each partner shall receive profits and incur losses including the profits or losses of the liquidation in the same proportion agreed upon and determined in the Partnership agreement. If the agreement does not indicate such a proportion, then distribution of profits and losses shall be made in proportion to their shareholding in the capital and the remaining amount of the Partnership’s funds and assets shall then be distributed among the partners each in proportion to his shareholding in its capital.

Article (40)
The liquidator must submit to each partner at the end of the liquidation of the General Partnership a final account of the operations and procedures undertaken by him during the liquidation process. He must also submit the said account to the Court should he be appointed thereby. The Controller in all cases and causes of liquidation must receive a copy of that account in order to publish the liquidation of the Partnership in the Official Gazette.

PART TWO
LIMITED PARTNERSHIP

Article (41)
A limited Partnership is formed of two categories of partners whose names should be listed in the Partnership agreement.

a) General Partners:
They shall manage the Partnership and carry out its activities. They are also jointly and severally liable for all the Partnership’s debts and liabilities with their private properties.

b) Limited Partners:
They shall contribute to the capital of the Partnership without having the right to manage the Partnership or to carry out its activities, and the liability of each one of them is limited to his share in the capital of the Partnership.

Article (42)
The title of a limited Partnership shall only consist of the names of the general partners. If there is only one general
partner in the Partnership, then the phrase “and partners” must follow his name. The name of any limited partner must not appear in the limited Partnership’s title. Should the name of a limited partner be mentioned upon his request or with his knowledge, then he shall be responsible as a general partner for the Partnership’s debts and liabilities towards other parties who may have depended, in good faith, in their dealing with the Partnership, on that name.

Article (43)

a) A limited partner shall not have the right to participate in the management of the limited Partnership and shall have no power to bind it, but he may have access to its books of accounts and records related to the decisions adopted in the context of its management and may inquire about its state and affairs and deliberate with other partners in connection therewith.
b) If the limited partner participates in the management of its affairs, he shall then be liable as a general partner for all debts and obligations incurred by the Partnership during his participation in its management.

Article (44)

A limited partner in a limited Partnership may at his own discretion relinquish his share to another person who shall become a limited partner in the Partnership unless all general partners agree that he be admitted as a general partner in the Partnership.

Article (45)

A new general partner may be admitted to the limited Partnership with the consent of all the general partners, or with the consent of the majority of them should the Partnership agreement allow such an admission. The approval of the limited partners is not required in such a case.

Article (46)

Any disagreement arising out of the management of the Limited Partnership shall be resolved by the general partners in the Limited Partnership with unanimity or agreement of their majority (if permitted to do so by the Partnership agreement). However, any change or amendment in the objectives of the Partnership carried out by it shall not be made without the consent of all general partners.

Article (47)

A Limited Partnership shall not be dissolved due to the bankruptcy of the limited partner, his insolvency, his death, his incompetence or his permanent disability.

Article (48)

A Limited Partnerships shall be subject to the provisions governing the General Partnership, which are stipulated in this Law in all matters and cases which are not provided in this part.

PART THREE

JOINT VENTURE

Article (49)

a) A Joint Venture is a commercial undertaking organized between two persons or more. The operations of the Joint Venture shall be carried out by an apparent partner who shall deal with third parties. The Joint Venture as such is limited to the special relationship between the partners. The existence of such a Partnership may be evidenced by all means of proof.
b) A Joint Venture is not a separate legal entity, and is not subject to the provisions and procedures of registration and licensing.
Article (50)
The silent partner in a joint venture shall not be considered a merchant unless he personally carries out commercial transactions.

Article (51)
Third parties shall not have the right of any course of action to any partner except to the one they dealt with in the Joint Venture. Should any other partner confess to the existence of such a Company or should he notify others of its existence, the Company may then be considered as an existing Company and the partners therein shall become jointly responsible towards third parties.

Article (52)
A Joint Venture agreement shall specify the rights and obligations of all partners therein towards each other and towards the Joint Venture and the manner in which profits and losses are to be distributed amongst them.

PART FOUR
LIMITED LIABILITY COMPANY

Article (53)

a) The Limited Liability Company is composed of two persons or more. The liability of any partner therein for its debts, obligations and losses shall be in proportion to his shareholding in its capital.

b) Upon a justifiable recommendation by the Controller, the Minister may register a Limited Liability Company composed of one person only.

c) Upon the death of a shareholder in the Limited Liability Company, his share will be transferred to his heirs. This rule shall apply to the legatee of any share or shares in the Company.

Article (54)

a) The capital of the Limited Liability Company shall be fixed in Jordanian Dinars provided that the capital is not less than thirty thousand Dinars which shall be divided into indivisible shares of equal value of not less than one Dinar each. However, should more than one partner jointly own such shares, for any reason, the shareholders must select one person from amongst them to represent them with the Company. But if the shareholders do not come to an agreement or do not make that election within thirty days from the date they become shareholders in such share, then they shall be represented by the person elected from amongst them by the Company's manager or its Management Committee.

b) A Limited Liability Company may not offer its shares for public subscription, increase its capital or borrow by subscription and shall not have the rights to issue shares or negotiable corporate bonds.

Article (55)
The name of the Limited Liability Company shall be derived from its objectives provided that it is followed by the words: "with limited liability", which can be abbreviated by the letters W.L.L. and that its name and amount of its capital be stated on all of its stationery and contracts concluded by it.

Article (56)
A General Partnership or Limited Partnership may keep its original name if it wishes to convert to a Limited Liability Company.

Article (57)

a) The application to incorporate the Limited...
Company Law

Liability Company shall be submitted to the Controller along with the company’s Memorandum and Articles of Association on the approved forms for this purpose, and shall be signed before the Controller, before any person delegated in writing by the Controller, before a Notary Public or before a licensed lawyer.

b) The Limited Liability Company’s Memorandum shall incorporate the following particulars:
1. Name of the Company, its objectives and its head office.
2. Names of the shareholders, their nationalities and address of each of them.
3. Amount of capital and the shares of each shareholder therein.
4. Statement of the share or shares in kind, name of the shareholder who presented such shares and their estimated values.
5. Any other additional data which the shareholders may submit or which the Controller may request in implementation of the provisions of the Law.

c) The Articles of Association of the Limited Liability Company must include the information provided for in paragraph (b) of this Article in addition to the following information:
1. The manner of managing the Company, the number of members in the Management Committee, their powers and the limits of the powers of the Management Committee in borrowing, mortgaging the real estate owned by the Company and presenting guarantees in its name.
2. Conditions for transferring the shares in the Company and the procedures to be followed in that respect and the form of writing the transfer.
3. The manner of distributing the profits and losses to the shareholders.
4. Meetings of the Company’s General Assembly, its legal quorum, and the quorum needed for taking decisions thereby and procedures to be followed for holding the said meetings.
5. Rules and procedures pertaining to the liquidation of the Company.
6. Any other additional information furnished by the shareholders or requested by the Controller.

Article (58)

a) If the Company’s capital or a part thereof is shares in kind, then the offers of these shares shall keep same and refrain from disposing of them until they are delivered to the Company, registered in its name and the title thereto is transferred to it.

b) If the offerers of these shares do not comply with transferring the title of these shares to the Company, they shall be bound by law to pay the value thereof in cash in accordance with the price approved by the promoters in the Company’s Memorandum of Association. The Controller shall have the right to ask for a proof of the accuracy of the evaluation of the value of the shares in kind.

c) Concession rights, patent rights, technical know-how and other intangible rights are considered as payments in kind.

Article (59)

a) The Controller shall issue his resolution approving the registration of the Company within fifteen days from the date the application is submitted and signed by the...
shareholders. He may refuse the application if he finds that the Company's Memorandum or Articles of Association contain a provision contrary to the provision stipulated in this Law and the regulations promulgated in accordance therewith and contrary to any other legislation in force in the Kingdom and the shareholders have not removed the violation within the period specified by the Controller. The shareholders may object to the refusal resolution before the Minister within thirty days of the date they are notified of same. If the Minister refuses the objection, the objectors may challenge his resolution before the High Court of Justice within thirty days of the date of notifying them of the resolution.

a) If the Controller approves the registration of the Company or such approval has been made by a resolution of the Minister or the High Court of Justice in accordance with the provisions of paragraph (a) of this Article and after the shareholders submit documents which prove that not less than 50% of the Company's capital has been paid, the Controller shall collect the registration fees and issue a certificate of registration to be published in the Official Gazette. In all cases, the remainder of the Company's capital should be paid within the two years following its registration.

Article (60)

a) The Company shall be managed by a manager or Management Committee whose members shall not be less than two and not more than seven as provided for in the Company's Memorandum of Association for a period of not more than four years. The Management Committee shall elect a chairman and a deputy chairman.

b) The manager of the Limited Liability Company or its Management Committee shall have full power to manage the Company within the limits specified by its Memorandum of Association. Transactions and actions carried out or exercised by the manager or Management Committee in the name of the Company shall be binding on the Company towards a third party who deals in good faith with the Company irrespective of any restriction stipulated in the Company's Articles of Association or Memorandum of Association.

c) The third party dealing with the Company shall be considered a bona fide third party unless the contrary is proved. However, such third party shall be under no obligation to ascertain that there is any restriction on the powers of the managers or the Management Committee in their power to bind the Company under its Memorandum or Articles of Association.

Article (61)
The manager of the Limited Liability Company, whether he is sole manager of the Company or any one of the members of its Management Committee shall be responsible to the Company, the shareholders and others for any violation of the provisions of this Law, the by-laws issued in accordance therewith, the Company's Memorandum and Articles of Association and the resolutions issued by its general assemblies or Management Committee.

Article (62)
The manager of the Limited Liability Company or its Management Committee shall prepare the Company's annual balance sheet and final accounts including the profit and loss account and the notes attached thereto, fully examined by licensed auditors in accordance with recognized accounting principles, in addition to the annual report on the Company's activities, progress and projects and shall submit them to the Company's General Assembly and the Controller together with the appropriate
recommendations. This should be done within the first three months of the Company's new fiscal year.

Article (63)

a) The manager of the Limited Liability Company — whether he is a sole manager or a manager appointed by the Management Committee — and any member of the Management Committee shall be prohibited from assuming any position in any other Company with objectives similar to or competitive with the Company’s business and from carrying out any work similar to the Company’s business, whether for its own account or for the account of third parties, with or without payment, or to participate in managing another Company having objectives similar to or competitive with those of the Company except with approval of the General Assembly by a majority vote of not less than 75% of the shares forming the company's capital.

b) If any of the persons mentioned in the above paragraph (a) fails to obtain the approval of the General Assembly, the Controller shall give him a grace period of thirty days from the date he becomes aware of that in order to rectify his status otherwise he shall be punished by a fine of not less than one thousand Dinars and not more than ten thousand Dinars and to oblige him to compensate for the damage sustained by the Company or the shareholders. Should the competition continue after that, the person shall be considered as having lost his job and/or his membership in the Management Committee by operation of law.

Article (64)

a) The General Assembly of a Limited Liability Company is composed of all the shareholders therein. The General Assembly shall hold one annual meeting during the first four months of the Company’s fiscal year upon the invitation of either its manager or the chairman of the Management Committee and in the place and on the date specified therefor.

b) The General Assembly of a Limited Liability Company may at any time hold one or more extra-ordinary general meeting upon the request of its manager or Management Committee to consider issues presented for its consideration in accordance with the provisions of this Law. The Company’s General Assembly shall also be obliged to hold an extra-ordinary meeting upon the request of a number of shareholders who own at least 25% of the Company’s capital or upon the request of the Controller should he receive a request from shareholders owning at least 15% of the Company’s capital and if he is satisfied with the reasons indicated in the request. Should there be no response from the Company, the Controller shall call for a meeting at the Company’s expense.

c) Any shareholder in a Limited Liability Company, irrespective of the number of shares he owns in the Company’s capital, shall have the right to attend the ordinary and extra-ordinary meetings of the General Assembly and to discuss issues presented to the assembly and to vote on the resolutions thereof. The said shareholder may delegate another shareholder in the Company to represent him in such meetings.

d) Each shareholder in a Limited Liability Company shall be notified to attend the meetings of the General Assembly whether these meetings are ordinary or extra-ordinary. Invitations shall be delivered by hand against a signature of receipt, or shall be sent via registered mail at least fifteen days prior to the date set for each meeting. Each shareholder shall be considered as having been notified.
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within a period not exceeding six days from the date of
mailing the said invitation via registered mail to his address
recorded with the Company.

e) The Controller shall not be invited to attend
meetings of the General Assembly of the Limited Liability
Company whether they are ordinary or extra-ordinary meetings.
However, the Company’s manager or Management Committee should
provide the Controller with a copy of the minutes of the
meeting signed by the chairman and the secretary thereof
within ten days of the date of convening such meeting. The
Controller may attend the meeting upon the request of the
manager or Management Committee or upon a written request by
shareholders holding at least 15% of the shares which form the
company’s capital.

Article (65)

Quorum for the ordinary meeting of the General Assembly of the
Limited Liability Company shall be valid if attended by a
number of shareholders representing more than one-half of the
Company’s capital whether they attend in person or by proxy.
If such quorum is not present within one hour from the time
fixed for starting the:
a) meeting, then such meeting shall be postponed and
another meeting which will be held within fifteen days from
the date fixed for the first meeting. The absent partners
shall again be notified of that and quorum at the second
meeting shall be considered valid with the shareholders
present regardless of their number or the percentage of shares
held by them in the capital.
b) Quorum for the extra-ordinary meeting of the
General Assembly of the Limited Liability Company shall be
valid if attended by a number of partners representing at
least 75% of the shares which form the Company’s capital,
whether in person or by proxy unless the Company’s Memorandum
of Association provides for a higher majority. If however,
quorum is not present within one hour from the time fixed for
starting the meeting, then it will be postponed to be held
within ten days from the date fixed for the first meeting. The
absent partners shall again be notified of that and quorum for
the second meeting shall be valid if attended by at least 50%
of the shares forming the Company’s capital, whether in person
or by proxy unless the Company’s Articles of Association
provides for higher majority. Should such quorum not be
present the meeting shall be cancelled whatever the reasons
for calling the meeting.

Article (66)
a) The agenda for the annual ordinary meeting of the
ordinary General Assembly meeting of a Limited Liability
Company shall include the following:
1- Discussion of the report of the manager or the
Management Committee on the Company’s activities, operations
and financial position during the past fiscal year.
2- Discussion and approval of the balance sheet and the
profit and loss account of the Company after hearing and
discussing the report of the auditors.
3- Election of the Company’s manager or its Management
Committee, as the case may be and in accordance with this Law.
4- Election of the Company’s auditors and determination
of his remuneration.
5- Any other matters which the Company’s manager or
Management Committee may present to the General Assembly, or
any matter presented by any shareholder which the General
Assembly accepts to discuss. Provided that none of these
matters is of the type which can only be discussed in an
extra-ordinary meeting in accordance with this Law.

b) The General Assembly of a Limited Liability Company shall adopt its resolutions with respect to any of the issues stipulated in paragraph (a) of this Article by majority votes of the shares of the capital represented in the meeting and each share shall have one vote.

Article (67)

a) The General Assembly of a Limited Liability Company shall be invited to an extra-ordinary meeting in order to discuss the following issues. None of these issues can however be discussed unless they have been stated in the agenda for this meeting.

1- Amendment of the Company’s Memorandum and Articles of Association, provided that the proposed amendments have been attached to the invitation.

2- Increase or decrease of the Company’s capital and determination of the share premium, provided that the provisions stipulated in Article (68) of this Law pertaining to the decrease of the Company’s capital are adhered.

3- Merger of the Company with another Company.

4- Dissolution and liquidation of the Company.

5- Discharge of the Company’s manager or its Management Committee.

6- Sale of the Company to another Company.

b) Notwithstanding the provisions stipulated in Articles (68) and (75) of this Law and if the aim is to restructure the capital, the Company may decrease and re-increase its capital at the same extra-ordinary meeting of the General Assembly convened in accordance with the provisions of the Law for such purpose, provided that the invitation shall contain the justifications and feasibility which this procedure aims at, and that the restructuring of the capital shall be published in two local newspapers for at least one time.

c) The General Assembly of shareholders in a Limited Liability Company may at its extra-ordinary meeting discuss any of the issues mentioned in Article (66) of this Law, provided that said issues are listed in the invitation for the meeting. The assembly shall adopt its resolutions by majority votes of shares of the capital represented in the meeting.

d) The General Assembly of a Limited Liability Company shall adopt its resolutions in respect of any of the issues provided for in paragraph (a) of this Article by a majority of not less than 75% of the shares of the capital which are represented in the meeting, unless the Company’s Articles of Association provides for greater majority. Resolutions adopted by the General Assembly regarding the issues mentioned in items (1), (2), (3), (4) and (6) of paragraph (a) and paragraph (b) of this Article shall be subject to the provisions of approval, registration and publication set out in this Law.

Article (68)

a) A Limited Liability Company may decrease its capital if same exceeds its needs or if the Company incurs losses amounting to more than 50% of the said capital, provided that the provisions of Article (75) are adhered to in such a case.

b) The Controller shall at the expense of the Limited Liability Company publish an announcement, on three consecutive days in at least one daily newspaper, of the Company’s resolution to decrease its share capital. The Company’s creditors shall have the right to submit a written...
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An objection against the said decision to the Controller within fifteen days from the last date of publication of the said announcement. Any creditor shall also have the right to contest the decision regarding the decrease of the Company’s share capital before the Court if the Controller fails to settle his objection within thirty days from the date of the submission of the said objection thereto.

Article (69)
A Limited Liability Company is exempted from publishing its annual balance sheet, its profit and loss account and a summary of the report of its manager or its Management Committee in the local newspapers.

Article (70)
a) A Limited Liability Company shall deduct 10% of its annual net profits for the account of the statutory reserve, and shall continue to deduct the same percentage each year provided that the total deducted amounts for the said reserve shall not exceed the Company’s capital.
b) The General Assembly of a Limited Liability Company may decide to deduct an amount not exceeding 20% of the Company’s annual net profits for the account of the voluntary reserve. The General Assembly may decide to either use this reserve for purposes identified by the Company, or it may distribute same among the shareholders as profit if not used for those purposes.

Article (71)
a) The Limited Liability Company shall keep at its head office a special register for the shareholders in which the following information pertaining to them shall be recorded. The Company’s manager or its Management Committee shall be responsible for this register and for the correctness of the information listed therein:
   1. Name of shareholder, his surname, if he has any, nationality domicile and address in particular.
   2. Number and value of shares owned by each shareholder.
   3. Alterations that may occur on the shareholder’s share/shares, its details and dates thereof.
   4. Attachments, mortgages or any other liens and the details related thereto.
   5. Any other information the manager of the Company or its Management Committee decides to record in the register.
   6. Each shareholder in the Company shall have access to the register either in person or through authorized representative in writing.
b) The manager of a Limited Liability Company or the chairman of its Management Committee, shall annually and within the first month following the end of the company fiscal year, provide the Controller with the particulars included in the shareholder’s register provided for in paragraph (a) of this Article and with any amendments, changes or alterations that may occur in respect thereof, within a period not exceeding thirty days from the date the change or the alteration take place.

Article (72)
a) A shareholder in a Limited Liability Company may assign his shares in the Company’s capital to any of the shareholders or to others as per the certificate of assignment in accordance with the form specified in the Company’s Articles of Association. This assignment shall be recorded and authenticated with the Controller and shall be published, and the prescribed fees therefor shall be paid. Such assignment shall not effective vis-à-vis the Company, its shareholder, or
Company Law

third parties before its recorded and authenticated as mentioned above.

b) Any shareholder may assign or sell his share or shares in the capital of the Limited Liability Company to another shareholder whether by sale or otherwise, without the approval of the remaining shareholders, the manager of the Company or its Management Committee.

c) Unless the Articles of Association provides otherwise, in the case that a shareholder disposes his shares in a manner other than sale, the shareholder shall obtain the approval of the manager or the Management Committee.

Article (73)

a) Should any of the shareholders in a Limited Liability Company wish to sell his shares in the Company to a third party, the shareholder shall submit an application regarding this matter to the Company's manager or Management Committee, as the case may be, indicating the price he is requesting. The manager or the Management Committee shall, within one week of the date of submitting thereof, notify the remaining shareholders of a copy of the application and the conditions of the assignment. The shareholders shall have a preemptive right to purchase the shares at the offered price and the person intending to assign the shares shall furnish the Controller with a copy of the application and shall notify the other shareholders of the conditions of the assignment.

b) Should more than one shareholder offer to purchase the share or shares to be assigned at the offered price, the shares shall then be divided amongst those shareholders wishing to purchase each in proportion to the percentage of his share in the Company's capital. In case of disagreement on the price, the Controller shall, on the Company's expense, appoint a licensed auditor in order to determine the price whose evaluation shall be final and the shares shall be divided amongst the shareholders who wish to purchase.

c) Should a period of thirty days from the date on which shareholders are notified of the conditions of sale without any of them expressing his wish to purchase, whether at the offered price or at the price evaluated by the licensed auditor, the shareholder wishing to sell shall have the right to sell his share to third party at the price offered or at the evaluated price as a minimum.

d) Should any of the shareholders or third party express his wish to purchase the share or shares to be sold within thirty days of the expiry of the period specified in the above paragraph (c) to the effect that the sale of this share or shares becomes impossible, then the person wishing to sell may request the Controller to sell the shares at public auction.

Article (74)

a) If a Court judgment is issued regarding an execution on the share or shares of any shareholder who is indebted (to the Company) then the preemptive right for purchasing such share or shares shall be given to the remaining shareholders. If none of the shareholders offers to purchase same or if agreement on the price has not been reached within thirty days of the date of issue of the conclusive judgment, then such shares shall be offered for sale at public auction. Each shareholder in the Company may participate in his name in the auction on the same footing with others and purchase such share or shares for himself.

b) The Controller shall issue the regulations necessary for the implementation of sales at public auction.
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Article (75)
Should the losses of the Limited Liability Company exceed 50% of its capital, the Company's manager or its Management Committee shall invite the Company's General Assembly to an extra-ordinary meeting in order to decide on whether the Company should be liquidated or to continue to exist. However, should the Company's losses amount to 75% of its capital, the Company should be liquidated unless the General Assembly decides in an extra-ordinary meeting to increase the Company's capital by not less than half the losses.

Article (76)
The provisions pertaining to the Public Shareholding Company shall apply to the Limited Liability Company where there is no clear provision in respect thereof in the provisions relating to Limited Liability Companies.

PART FIVE
LIMITED PARTNERSHIP IN SHARES

Article (77)
A Limited Partnership in shares is composed of the following two categories of partners:

a) General Partners:
The number of general partners shall not be less than two and they shall be liable for the Company's debts and obligations in their personal property.

b) Limited Partners:
The number of limited partners shall not be less than three, and each partner shall be liable for the Company's debts and obligations in proportion to his shareholding.

Article (78)
The capital of the Limited Partnership in share shall not be less than one hundred thousand Jordanian Dinars divided into negotiable shares of equal value. The value of each share is one Jordanian Dinar and is indivisible, provided that the Partnership's capital offered for subscription shall not exceed double the shares subscribed for by the general partners in the Partnership.

Article (79)
The name of the Limited Partnership in Shares shall be formed from one name or more of the general partners provided that the name is followed by the words "Limited Partnership in Shares" in addition to a reference to its objectives, "the name of the limited partner may not be indicated in the Partnership's name. If the name of the limited partner was stated with his knowledge, he shall then be considered a general partner vis-à-vis bona fide third parties".

Article (80)
The registration of the Limited Partnerships in Shares shall be subject to the approval of the Controller.

Article (81)
a) The Limited Partnership in Shares shall be managed by one or more general partners whose number, authorities and duties are indicated in the Partnership's Memorandum of Association. Their powers, responsibilities and dismissal shall be subject to the provisions applied to authorized partners in the General Partnership.

b) If the position of the manager of the Limited Partnership in Shares becomes vacant at any time and for any reason whatsoever, the general partners shall appoint a manager from amongst them. In the event they fail to do so, the Supervisory Council provided for in Article (84) of this
Company Law

Law shall appoint a temporary manager to undertake the management of the Company, provided that the Partnership's General Assembly shall be called upon to convene within thirty days from the date of the appointment of the temporary manager to elect a manager from among the general partners.

Article (82)
The provisions of the General Partnership stipulated in this Law shall apply to general partners in the Limited Partnership in Shares. A limited partner in this Partnership shall be subject to the provisions provided for in Article (43) relating to Limited Partnership.

Article (83)
a) The General Assembly of a Limited Partnership in Shares shall consist of all general and the limited partners. Each one of the partners shall have the right to attend the Partnership's General Assembly meetings, whether ordinary or extra-ordinary meetings of the General Assembly, to discuss the matters presented before the assembly and to vote on its resolutions. Each partner shall have a number of votes in the General Assembly equal to the number of his shares in the Partnership's capital.
b) The provisions for ordinary and extra-ordinary meetings of the General Assembly of Public Shareholding Companies which are stipulated in this Law shall apply to the meetings of general assemblies of Limited Partnerships in Shares.

Article (84)
Each Partnership in shares shall have a supervisory council composed of at least three members who shall be elected annually by the limited partners from amongst them for one year in accordance with the procedures stipulated in the Partnership's Articles of Association.

Article (85)
The supervisory council of the Limited Partnership in Shares shall assume the following duties and responsibilities:
a) To supervise the progress of the Partnership's operations, to verify the correctness of the formation procedures thereof and to request the Partnership's manager to furnish the council with a detailed report on the said operations and procedures.
b) To examine the Partnership's records, registers, contracts and to make an inventory of the Partnership's funds and assets.
c) To give advice on issues that the council deems important to the Partnership or on matters submitted thereto by the manager or the managers.
d) To approve any actions and business which the Articles of Association of the Partnership states that the execution thereof needs the approval of the council.
e) To invite the Partnership's General Assembly to extraordinary meetings should it become evident to the council that violations have been made in the course of managing the Company, and these must be put before the General Assembly.

Article (86)
The supervisory council of a Limited Partnership in Shares shall submit to the shareholders in the Partnership at the end of each fiscal year a report on the supervision activities carried out thereby and the results thereof. This report shall be brought before the General Assembly of the Partnership at its annual ordinary meeting. A copy of such report shall be sent to the Controller.

Article (87)
Each Limited Partnership in Shares shall have an auditor to be
Company Law

The provisions concerning auditors in Public Shareholding Companies stipulated in this Law are also applicable to the said auditors.

Article (88)
The Limited Partnership in Shares shall be dissolved and liquidated in the manner determined by the Partnership’s Articles of Associations. Otherwise, it shall be subject to the provisions for the liquidation of a Public Shareholding Company.

Article (89)
The provisions for Public Shareholding Companies stipulated in this Law shall apply to Limited Partnership in Shares in all issues that are not provided for in this part.

PART SIX
PUBLIC SHAREHOLDING COMPANIES

CHAPTER ONE
FORMATION AND REGISTRATION OF A PUBLIC SHAREHOLDING COMPANY

Article (90)
a) A Public Shareholding Company shall consist of a number of promoters of not less than two who subscribe for shares that can be listed on stock exchanges and may be traded and transferred in accordance with the provisions of this Law and any other legislation in force.
b) The Minister may, upon a justifiable recommendation by the Controller, approve that the Limited Public Shareholding Company be established by one promoter.
c) The name of the Public Shareholding Company is derived from its objectives provided that wherever the name appears it shall be followed by the words “Public Shareholding Company Limited”. The Company shall not be registered in the name of a natural person unless the objectives thereof is the exploitation of a patent duly registered in the name of the said person.
d) The term of the Public Shareholding Company shall be indefinite unless the objectives thereof is to carry out certain business, in which case, the duration thereof shall end upon the completion of that business.

Article (91)
The financial liability of the Public Shareholding Company is deemed separate from the financial liability of each Shareholder therein. The Company shall, with its assets and funds, be liable for its debts and obligations and the Shareholder shall not, to the extent of its shareholding the Company, be liable against the Company for such debts and obligations except.

Article (92)
a) The application for the formation of the Company shall be submitted by the Company’s promoters to the Controller on the form designated for such purpose and accompanied by the following:
   1.- The Company’s Articles of Association.
   2.- Its Memorandum of Association.
   3.- Names of promoters of the Company.
   4.- Names of the members of the promoters’ committee which shall conduct the formation procedures.

b) The Shareholding Company’s Articles of Association and Memorandum of Association should include the following information:
   1.- Name of the Company.
   2.- Company’s head office.
   3.- Objectives of the Company
   4.- Names of the Company’s promoters, their
Company Law

5- The authorized capital of the Company and the subscribed part thereof.

6- A statement of the shares in kind in the Company, if any, and the value thereof.

7- Whether the shareholders and the holders of convertible bonds hold preemptive right to subscribe for any new issues to be made by the Company.

8- The manner in which the Company is managed and the authorized signatories during the period between its formation and the first General Assembly meeting which shall be held within sixty days of the date of formation of the Company.

c) The Articles of Association and Memorandum of Association of the Shareholding Company shall be signed by each promoter before the Controller or any one delegated by him in writing or before the notary public or a licensed lawyer.

Article (93)
The following operations may not be conducted except by Public Shareholding Companies which are formed and registered in accordance with the provisions of this Law:

a) Banks operations, financial institutions and all types of insurance activities.

b) Companies awarded concessions.

Article (94)
a) Upon the recommendation of the Controller, the Minister shall issue his resolution approving or disapproving the registration of the Company within a maximum period of thirty days as of the date of the Controller's recommendation. The Controller shall make the recommendation within thirty days as of submitting the application to him which shall be signed by the promoters and shall comply with the requisite conditions. Should the Minister fail to issue his resolution during such period, the application shall be deemed approved.

b) In the case the Minister does not accept registration of the Company, the Company's promoters may challenge his decision before the Higher Court of Justice.

CHAPTER TWO
CAPITAL AND SHARES OF THE PUBLIC SHAREHOLDING COMPANY

Article (95)
a) The authorized and subscribed capital of the Public Shareholding Company shall be fixed in Jordanian Dinars and shall be divided into nominal shares at a par-value of one Dinar each provided that the authorized capital shall not be less than five hundred thousand (500,000) Dinars and the subscribed capital shall not be less than one hundred thousand (100,000) Dinars or twenty percent (20%) of the authorized capital, whichever is greater.

b) The non-subscribed capital shall be paid within three years of the formation of the Company or the increase of the capital, as the case may be. In case of default in payment of the non-subscribed capital within the said period, the following should be observed:

1- If the subscribed capital exceeds five hundred thousand (500,000) Dinars at the end of the period, the authorized capital of the Company shall be deemed its actual subscribed capital.

2- If the subscribed capital is less than five hundred thousand (500,000) Dinars at the end of the period, the Controller shall have the right to issue a warning to the
Company Law

Company to pay the necessary amount with the effect that the actual subscribed capital of the Company becomes five hundred thousand (500,000) Dinars within thirty days of the date the notice is served on the Company. Should the Company fail to do so, the Controller shall have the right to request from the Court to liquidate the Company in accordance with the provisions of Article (266) of this Law.

c) The Company’s Board of Directors may issue shares which represent any unsubscribed part of the authorized capital of the Company as the Company’s interests may warrant and at the value which is deemed proper by the Board whether such value is equivalent to, higher or lower than the nominal value of the shares provided that such shares shall be issued in accordance with the provisions of the applicable laws and legislations.

d) The Board of Directors of the Public Shareholding Company shall obtain the approval of the extraordinary General Assembly in the case the nonsubscribed shares are covered by:
  1- Incorporating the voluntary reserve into the Company’s capital;
  2- Capitalization of the Company’s debts or any part thereof provided that the creditors of these debts consent thereto in writing;
  3- Conversion of convertible bonds into shares in accordance with the provisions of this Law.

e) The Board of Directors may issue shares as shall be permitted by the provisions of the Securities Law in force.

Article (96)
The share of a Public Shareholding Company shall be indivisible. However, the heirs may jointly own one share as the successors of their predecessor. This rule is also applicable to the heirs if they have jointly inherited more than one share, provided that they should, in both cases, choose one of them to be their representative in and before the Company. Should heirs fail to do so within the period determined by the Company's Board of Directors, the Board may appoint one of them to be their representative.

Article (97)
Shares of the Public Shareholding Company are cash shares and the value of the subscribed shares shall be paid in one installment. The Company’s shares may be in kind given against in kind offerings evaluated in cash in accordance with the provisions of this Law. Concession rights, patent rights and technical know how and other intangible rights are considered as payments in kind.

Article (98)
a) The Public Shareholding Company shall keep one or more register wherein there shall be recorded the names of shareholders, the numbers of shares held by each one of them, transactions affecting same and other information relating thereto and to the shareholders.

b) Subject to the provisions of paragraph (c) of this Article, the Company may file copies of the registers referred to in the above paragraph (a) with any other authority for the purpose of following up the affairs of shareholders and may authorize such authority to keep and organize these registers, if it wishes to do so.

c) Should the Public Shareholding Company wish to list its shares in the Market it shall follow the rules and procedures provided for in the laws, regulations and instructions which regulate the negotiability of securities in the Kingdom and relate to the delivery of the registers referred to in the above paragraph (a) to the authority.
d) Any shareholder in the Company may have access to the shareholders register in connection with his shareholding for whatever cause and to the entire register for any reasonable cause. Any other person with interest, at the discretion of the Court, may request the Company to review the shareholders register. In all cases, the Company may charge a reasonable consideration in case any person or shareholder wishes to reproduce the register or any part thereof.

CHAPTER THREE
SUBSCRIPTION AND UNDERWRITING OF SHARES IN THE PUBLIC SHAREHOLDING COMPANY

Article (99)
a) Upon signing the Articles of Association and Memorandum of Association of a Public Shareholding Company, the promoters thereof should underwrite the entire value of the shares subscribed for by them and shall provide the Controller with evidence to that effect provided that the percentage of shares subscribed for by the promoters in banks, financial institutions and insurance companies shall not exceed 50% of the authorized capital and that the number of promoters therein shall not be less than fifty (50) persons.
b) The shareholding of the promoter(s) of the Public Shareholding Company upon its formation shall not exceed 75% of the subscribed capital. The promoter or promoters' committee should offer the remaining shares for subscription as permitted by the Securities Law in force.
c) The promoters of the Public Shareholding Company are prohibited from subscribing in the shares offered for subscription at the formation stage. However, they may underwrite the remaining shares after the lapse of three days from closing the subscription.
d) In all cases if all shares offered for subscription are not underwritten, the Company may be registered with the number of shares subscribed for provided that the shares subscribed for shall not be less than the minimum limit stipulated in Article (95).

Article (100)
a) Promoters’ shares in the Public Shareholding Company may not be disposed of prior to the lapse of at least two years from the formation of the Company. Any action in violation of the provisions of this Article shall be null and void.
b) There shall be excluded from the restriction mentioned in paragraph (a) of this Article the transfer the transfer of promoters’ shares to the heirs and between spouses, ancestors and descendants and also among the promoters themselves and the transfer of the promoters’ share to third parties by a Court decision of as result of selling same at public auction in accordance with the provisions of the Law.

Article (101)
Subject to the provisions stipulated in any other law, promoters of the Public Shareholding Company or its Board of Directors may entrust the underwriting of the Company’s shares to one or more Underwriter.

Article (102)
a) It is not permitted for more than one person to participate in one application for subscription in such shares. Fictitious subscriptions or subscription in fictitious names are prohibited and will be considered invalid in any of the cases provided for in this paragraph.

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b) Subscription in the shares of the Public Shareholding Company shall take place in manner conforming to the provisions of the Law and other applicable laws.

Article (103)
The Company shall provide the Controller, within a period not exceeding thirty days from the closing date of any subscription in the shares of the Public Shareholding Company, with a statement containing the names of subscribers and the value of the shares subscribed for by each one of them.

Article (104)
If subscription in the shares of the Public Shareholding Company is in excess of the number of shares offered for subscription, the Company should allocate the shares offered for subscribers in accordance with the laws and regulations in force.

Article (105)
The Company shall be held responsible for refunding the amount in excess of the value of the Public Shareholding Company's shares offered for public subscription to the subscribers within a maximum period of thirty days from the closing date of the said public subscription or the determination of the allocation of shares, whichever is earlier. Should the Company fail to do so for any reason whatsoever, then those entitled to such amounts shall receive interest thereon to be computed as from the beginning of the month immediately following the thirty day period stipulated in this paragraph. This interest shall be equal to the highest interest rate prevailing between Jordanian Banks on time deposits during that month.

Article (106)
a) The first meeting of the General Assembly of the Public Shareholding Company, referred to in Article (92) of this Law, shall be presided over by a member of the promoter's committee of the Company who are entrusted with management of the Company in accordance with the provisions of Article (92) of this Law. At such meeting, the General Assembly shall carry out the following:

1. To review the report of the Company's promoter's committee who are entrusted with management of the Company, which report should include sufficient information and data about the promotion activities and procedures with the supporting documents and to ascertain their authenticity and to what extent they conform to the Law and to the Company's Memorandum of Association.
2. To review and discuss the promotion expenses and to take the appropriate solutions in respect thereof.
3. To elect the first Board of Directors of the Company.
4. To appoint an auditor or auditors of the Company's accounts and fix their remuneration or to authorize the Board of Directors to fix the same.

b) The first meeting of the General Assembly shall be subject to the procedures, invitation requirements, legal quorum and the adoption of the resolutions applied to the ordinary meetings of the Company's General Assembly.

c) The powers and functions of the promoter's committee of the Public Shareholding Committee shall cease upon the election of the first Board of Directors of the Company and they shall hand over to this Board all documents and instruments relating to the Company.

Article (107)
Should shareholders in the Public Shareholding Company, holding at least 20% of the shares represented in the first
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meeting of the Company's General Assembly, object to any of the items of the expenses of the formation of the Company, the Controller should ascertain the authenticity of the objection and settle same. If he is unable to do so for any reason whatsoever, the objectors may file legal action before the Court.

Article (108)

a) The chairman of the first Board of Directors of the Company shall provide the Controller with a copy of the minutes of the first meeting of the Company's General Assembly together with the documents and statements submitted by the Company's promoters' committee to the General Assembly within fifteen days from the date of the first meeting of the General Assembly.

b) Should it become evident to the Controller that the Public Shareholding Company has neglected during its formation stage to comply with any legal text or provision or has violated that text or provision then he shall send a written notice to the Company to correct its legal status within three months from the date of the notice. If the Company does not abide by the notice, the Controller shall then refer it to the Court.

c) Should it become evident to the Controller after examining the documents submitted to him in accordance with the provisions of paragraph (a) of this Article that the procedures followed for the formation of the Public Shareholding Company are legally proper, then he shall notify the Company in writing of its right to commence its businesses.

CHAPTER FOUR

Shares in Kind

Article (109)

a) The promoters of a Public Shareholding Company may offer, in exchange for their shares in the Company, payments in-kind valued in cash. Concessions, patents, know-how and all intangible rights and any other rights approved by the promoters shall be considered as payments in-kind. The Minister, upon the recommendation of the Controller, may ascertain the authenticity of evaluation of the payments in-kind in the manner he deems proper of by forming a committee of experts and at the expenses of the Company provided that the committee shall submit its report within a maximum period of sixty days from the date of its formation. After being approved by the Minister, the resolution of the committee shall be considered final. Should the promoters object thereto, the Minister may refuse to register the Company and non of the subsequent promoters or shareholders may object to the value of the shares in-kind offered at the formation stage.

b) As for the shares in-kind offered at any stage subsequent to formation, the approval of the extra-ordinary General Assembly should be obtained on the value of the payments in kind.

c) Any shareholder who has attended the extra-ordinary meeting of the General Assembly and registered his objection in the minutes of that meeting may contest the value of the payments in-kind before the competent Court within fifteen days of the date of the meeting.

Article (110)

The shares in-kind in the Public Shareholding Company shall not be issued to the holders thereof except after the completion of the legal procedures for handing over payments.
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Article (111)
Holders of shares in-kind in a Public Shareholding Company shall enjoy the same rights enjoyed by holders of cash shares in the same Company. Should the shares in-kind be promoters' shares they shall be subject to the restrictions applied to the cash promoters' shares.

CHAPTER FIVE
INCREASING THE SHARE CAPITAL OF A PUBLIC SHAREHOLDING COMPANY

Article (112)
The Public Shareholding Company may increase its authorized share capital with the approval of its extra-ordinary General Assembly if such capital has been subscribed for in full, provided that the approval shall contain the method of underwriting the increase.

Article (113)
Subject to Securities Law, the Public Shareholding Company may increase its capital by one of the following methods or by any other method approved by the Company's General Assembly:
1. Offering the increase shares for subscription by shareholders or others.
2. Incorporating the voluntary reserve or the accumulated deferred profits or both to the Company's capital.
3. Capitalizing the debts due by the Company, or part thereof, provided that the written approval of the creditors is obtained.
4. Transferring the corporate bonds, transferable to shares, in accordance with the provisions of this Law.

CHAPTER SIX
DECREASING THE SHARE CAPITAL OF A PUBLIC SHAREHOLDING COMPANY

Article (114)
a) A Shareholding Company may, by the resolution of the extra-ordinary General Assembly, decrease the unsubscribed portion of its authorized capital. It may also decrease its subscribed capital if it is in excess of its needs or if it sustains any loss and the Company decides to decrease its capital in the same amount of such loss or any part thereof provided that the Company shall observe in the decrease decision and in its procedures the rights of third parties stipulated in Article (115) of this Law.
b) The decrease in the subscribed capital shall be made by reducing the value of shares, by canceling the portion of their paid value equal to the amount of the loss, if there is a loss in the Company or by refunding a portion thereof if the Company deems that its capital is in excess of its needs.
c) The capital of the Public Shareholding Company in any case may not be reduced below the minimum limit stipulated in Article (95) of this Law.

Article (115)
a) The Board of Directors of the Public Shareholding Company shall submit the application for the reduction of its subscribed capital to the Controller together with the reasons that necessitate such a reduction. This can only be made following the approval of the Company's General Assembly to such reduction by a majority of at least 75% (Seventy-five Percent) of the shares represented in its extra-ordinary meeting which is held for that purpose. A list of the names of the Company's creditors, the amount of the debt of each of them, the address, and a statement of the Company's assets and liabilities shall be attached to the application provided that such list is certified by its auditor.
b) The Controller shall notify the creditors whose names appear in the list submitted by the Company of the resolution of the Company’s General Assembly regarding the reduction of its subscribed share capital. A notice shall be published in that regard in two local daily newspapers at the expense of the Company. Each creditor may submit to the Controller, within thirty days from the date of publishing the last notice, a written objection against the reduction of the Company’s share capital. If the Controller is unable to reach a settlement for the objections submitted to him within thirty days following the date of the expiry of the period fixed for submitting same, the objectors shall have the right to bring their case to the Court in respect of their objections within thirty days of the date of expiry of the period granted to the Controller to settle such objections. Any case brought before the Court after the lapse of said period shall not be entertained.

Should the Controller receive a written notice from the Court informing him of any action that has been filed with it within the period specified in paragraph (b) of this Article to contest the reduction of the subscribed capital of the Company, then the Controller shall stop the reduction procedures until a Court judgment is pronounced regarding the objection and this judgment is considered final. The legal action in such a case is considered of an urgent nature in accordance with the Civil Code in force.

d) If no case has been brought before the Court to contest the resolution of the Company’s General Assembly regarding the reduction in its subscribed share capital, or if a case has been filed but dismissed by the Court and the Court’s judgment was conclusive and final, the Controller must continue considering the reduction of the Company’s capital and must submit his recommendations regarding the reduction to the Minister to take the decision he deems appropriate. Should the Minister approve the reduction, the Controller shall register and publish the said reduction decision at the Company’s expense in accordance with the procedures provided for in this Law so that the reduced share capital of the Company shall by operation of law replace its share capital listed in its Memorandum and Articles of Associations.

e) The reduction of the unsubscribed portion of the authorized share capital shall not be conditional upon the approval of the Controller and creditors.

CHAPTER SEVEN
CORPORATE BONDS

Article (116)
Corporate bonds are negotiable securities having one nominal value and are issued by a Public Shareholding Company to be offered for subscription in accordance with the provisions of this Law and any other relevant Law, with the aim of obtaining a loan under which the Company undertakes to repay the loan principal and interests in accordance with the issue conditions.

Article (117)
The issue of the corporate bonds is conditional upon the approval of the Company’s Board of Directors by a majority of at least two thirds (2/3) of the members of the Board. If such corporate bonds are convertible into shares, then the approval of the Company’s extraordinary General Assembly shall also be obtained. Such approval shall be considered an approval to increase the Company’s authorized share capital and the Board of Directors, in respect of such increase, may
not exercise the powers vested thereupon by virtue of paragraph (b) of Article (95) of this Law.

Article (118)
Corporates bonds shall be issued in nominal value and registered in the names of their holders and transfer contracts of which shall be documented in the Company's register with the authority which keeps such registers. Such corporate bonds are transferable in the financial markets as provided for in the applicable Securities Law.

Article (119)
a) Corporate bonds shall be issued in one standard nominal value per issue. Bond certificates are issued in different denominations for the purpose of negotiation.
b) Corporate bonds may be sold at their nominal value, or at a discount, or at a premium. In all cases, the bonds shall be repaid at their nominal value.

Article (120)
The value of a corporate bond shall be paid in one amount on subscription, and will be credited to the account of the borrowing Company. In the event that the borrowing Company commissions an Underwriter, the amounts paid may be credited to the underwriter's account with the approval of the borrowing Company's Board of Directors, and the subscription proceeds will be refunded to the Company at the date agreed upon with the Underwriter.

Article (121)
The bond shall bear the following information:
a) On the face of the bond:
   1- The name of the borrowing Company, its logo if any, its address, its registration number and date and duration of the Company.
   2- Name of the holder of the bond if it's a nominal bond.
   3- Number of the bond, its type, nominal value, period and the rate of interest.
b) On the back of the bond:
   1- Total values of the bonds issued.
   2- Dates and conditions of redemption of bonds and interest accrual dates.
   3- Special securities, if any, for the debt which the bond represents.
   4- Any other conditions or provisions which the borrowing Company deems advisable to add to the bond provided that the said additions are in compliance with the issue conditions.

Article (122)
If corporate bonds are guaranteed by movable or immovable property or by other assets in kind or any other guarantees or collateral, the said properties and assets must be held as a security for the loan in accordance with the legislations in force, and the mortgage, guarantee, or collateral must be documented before handing over the subscription proceeds in the corporate bonds to the Company.

Article (123)
The corporate bonds shall be denominated in Jordanian Dinars or in any other foreign currency in accordance with the appropriate Laws.

Article (124)
The Board of Directors may be satisfied with the value of the corporate bond that has been subscribed for if a full underwriting has not been achieved for all the issued bonds within the designated period.

Article (125)
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The Company may issue convertible bonds into shares in accordance with the following provisions:

a) The resolution of the Board of Directors shall include all rules and conditions on the basis of which the bonds is converted into shares which shall be made with the written consent of the holders thereof and under the condition and pursuant to the basis defined therefor.

b) The board holder shall express his desire in the conversion at the dates stated in the prospectus. If the holder does not express his interest during that period he will lose his right to transfer the said corporate bonds.

c) The shares obtained by bond holders shall have rights to dividends proportional to the time period between the date of conversion and the end of the fiscal year.

d) At the end of each fiscal year a statement shall be made of the number of shares issued during the year against corporate bonds whose holders exercised their option to convert same into shares during such year.

Article (127)

a) Bond Holder Assembly shall be responsible for safeguarding the rights of the bondholders and for taking the necessary measures to preserve these rights, in cooperation with the Issue Trustee.

b) The Bond Holder Assembly shall convene for the first time upon the invitation of the Board of Directors of the Company which is issuing the corporate bonds. The appointed Issue Trustee shall be responsible for inviting the Assembly for meeting to be held later.

Article (128)

The Issue Trustee shall assume the following authorities:

a) To present Bond Holder Assembly before Courts whether as a plaintiff or a defendant, and before any other authority.

b) To undertake the secretarial duties at the meetings of the Bond Holder Assembly.

c) To perform the necessary works for protecting the bond holders and safeguarding their rights.

d) Any other duties with entrusted to him by the Bond Holders Assembly.

Article (129)

The borrowing company shall invite the Issue Trustee to the meetings of the Company's General Assembly. The Issue Trustee shall attend such meetings and express his opinion thereat, without having the right to vote on the resolutions of the General Assembly.

Article (130)

a) The Issue Trustee shall invite the bond holders to meet whenever it deems it necessary provided that the Bond Holder Assembly shall meet at least once a year.

b) The Bond Holder Assembly shall be invited in accordance with the rules applied to invitation directed to the ordinary meetings of the General Assembly. Invitations and meetings of the Bond Holder Assembly shall be subject to the same provisions which govern the invitations and meetings of the General Assembly of shareholders.

c) Any action in violation of the conditions for the issue of corporate bonds shall be considered null unless approved by the Bond Holder Assembly by a three quarter majority of its votes represented in the meeting, and provided that the ratio of corporate bonds is not less than two thirds of the value of the issued bonds which have been subscribed for.

d) The Issue Trustee must notify the Controller, the issuing Company and any financial Market on which the bonds are listed.
of the resolutions adopted by the Bond Holders Assembly.

**Article (131)**
The prospectus may provide for the company's right to annually redeem the issued bonds by a lottery throughout their period.

**CHAPTER EIGHT**
MANAGEMENT OF THE PUBLIC SHAREHOLDING COMPANY

**Article (132)**
a) The management of a Public Shareholding Company is entrusted to a Board of Directors whose members shall not be less than three and not more than thirteen as determined by the Company's Memorandum of Association. The members of the Board shall be elected by the Company's General Assembly through secret ballot in accordance with the provisions of this Law. The Board of Directors shall undertake the management of the Company for four years as from the date of its election.
b) Subject to the provisions of paragraph (c) of this Article, the Board of Directors shall invite the Company's General Assembly to meet during the last three months of its term, in order to elect a new Board of Directors to replace it, provided that the Board continues to manage the affairs of the Company until the new Board is elected if its election is delayed for any reason whatsoever. The delay in this case should not exceed three months from the expiry date of the term of the existing Board whatever the case maybe.
c) If the date set for the meeting, to which the Company's General Assembly will be invited to in accordance with the provisions of paragraph (b) of this Article, falls within a maximum of six months before the expiry date of the term of office of the existing Board of Directors, or falls within the six months following the expiry date of the said term, the Board shall continue to carry on its duties and elect the new Board of Directors at the soonest meeting of the General Assembly.

**Article (133)**
a) The Company's Memorandum of Association shall specify the number of shares which must be owned to qualify their holder to be nominated as a member of the Board of Directors, and shall keep his position as a member therein provided that these shares are not attached, mortgages or under any other lien which prevents their disposal. The restriction provided for in Article (100) of this Law, regarding non disposal of the promoters shares, shall be excluded from this provision.
b) The number of shares qualifying for membership on the Board of Directors shall continue to be attached as long as the holder of such shares is a member of the Board of Directors and for a further period of six months following the expiry date of his term therein. Such shares may not be negotiated during that period. Therefore, the shares shall be marked as attached shares and a reference to this effect shall be made in the register of shareholders. Such an attachment is made as a security for the Company's interest and to guarantee the obligations and responsibilities of that member and the Board of Directors.
c) Any member of the Board of Directors of a Public Shareholding Company shall be automatically dropped from his term of office if, for any reason whatsoever, the number of shares he holds is less than the number of shares which he should be a holder of pursuant to paragraph (a) of this Article, or if an attachment has been levied upon the shares pursuant to an exclusive and final Court judgment, or if they...
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have been mortgaged during his term of office, unless he completes the shares which have been decreased from the shares which qualify him for such term in the Board within a period that does not exceed thirty days. Such shareholder may not attend any of the Board’s meetings during the period in which the decrease of his shares occurs.

Article (134)

Any person may not be nominated for membership of the Board of Directors of a Public Shareholding Company if he has been convicted of:

a) Any felony or misdemeanor involving morals such as bribery, embezzlement, stealing, forgery, abuse of confidence, false testimony, or any disgraceful and immoral felony, or if he is incapable or declared bankrupt unless rehabilitated.

b) Any of the penalties stipulated in Article (278) of this Law.

Article (135)

a) Should the Government or any of the official public corporations or any public corporate body subscribe in a Public Shareholding Company, then any one of them shall be represented on its Board of Directors by one or more members as shall be agreed upon by the concerned parties, or in proportion to its subscription in the Company’s share capital and it shall not participate in the election of other members of the Board of Directors. The appointed member shall enjoy the full rights of membership and bear its responsibilities. It is not permitted, in accordance with the provisions of this paragraph, to appoint one member on more than two Boards of Directors of two companies in which the Government is a subscriber therein, including the Arab and foreign companies.

b) The membership of the representative of the Government or the official corporation or the other public corporate body in the Board of Directors of the Public Shareholding Company shall continue until the expiry date of the term of the Board of Directors. The party that appointed the said representative shall have the right at any time to appoint another person to replace him to hold his office for the remaining period of his term in office, or to delegate someone to temporarily replace him should he be sick or our of the Kingdom, provided that the Company is informed in writing in both cases.

c) Should the member who represents the Government or the official public corporation or any public corporate body submit his registration from the Company’s Board of Directors, his resignation shall be accepted and the party whom he represented must appoint a new representative to replace him.

d) Provisions relating to the appointment of a Government representative on the Board of Directors of Public Shareholding Companies shall be determined in accordance with the Jordan Investment Corporation Law and the regulations issued pursuant thereto and any other legislation that amends or replaces the said Law.

e) The provision of this Article shall apply to non-Jordanian governments and public corporate bodies when subscribing to the share capitals of Jordanian companies.

Article (136)

a) A corporate body, other than public corporate bodies referred to in Article (135) above who is a shareholder in the Public Shareholding Company, may nominate whomever it deems...
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fit for a number of seats in the Board of Directors in proportion to its shareholding in the Company's share capital. Such appointee may not be replaced during the term of the Board.
b) The corporate body mentioned in paragraph (a) above shall nominate his representative on the Board of Directors within ten (10) days from the date of his appointment from amongst those who meet the conditions and qualifications stipulated in this Law except for holding the qualification shares. He shall be considered as losing his membership if he fails to nominate his representative within one month from the date of his appointment.

Article (137)
a) The Board of Directors of the Public Shareholding Company shall elect among its members by secret ballot a chairman and a deputy chairman to assume the duties and responsibilities of the chairman during his absence. The Board of Directors shall also elect among its members one or more members who shall have the right to sign on behalf of the Company severally or jointly in accordance with what the Board decides regarding this matter and within the powers delegate to them by the Board. The Board shall provide the Controller with copies of its resolutions concerned with the election of the chairmen, his deputy, and the authorized members to sign on behalf of the Company and with specimen of their signatures within seven days from the date of adopting said resolutions.
b) The Company's Board of Directors may delegate any employee of the Company to sign on its behalf within the authorities delegated by the Board to him.

Article (138)
a) The chairman and every member of the Board of Directors of a Public Shareholding Company, its general manager, and principal executive managers, shall submit to the Board of Directors at the first meeting which it holds following its election, a written statement of the Company’s shares owned by each one of them and his wife and minor children, in addition to the names of the companies in which he and his wife and minor children own shares or stocks therein, if the Public Shareholding Company owns shares in these companies. Any change which may occur to the above statements must be notified by him to the board within fifteen days from the date on which such change occurs.
b) The Board of Directors shall furnish the Controller with copies of the aforementioned statements stipulated in paragraph (a) of this Article, and of any change that may occur thereon, within seven days from the date of submission of the statements or the change that occurs in respect thereof.

Article (139)
Subject to nullification, a Public Shareholding Company is not allowed to advance a cash loan of any kind to the chairman or any of the members of the Board of Directors or ancestors, descendants or spouse of any one of them. Banks and financial institutions are excluded from this condition, and are allowed to advance loans to any of the aforesaid within the limits of their objectives and under same terms the Banks and financial institutions deal with their other clients.

Article (140)
a) The Board of Directors shall, within a maximum of three months from the end of the Company’s fiscal year, prepare the following accounts and statements to be presented to the General Assembly.
1- The annual balance sheet of the Company and its
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profit and loss account, cash flows statements and notes
compared with those of the previous fiscal year, all duly
certified by the Company's auditors.
2- The annual report of the Board of Directors on the
Company's activities and forecasts for the following year.
b) Copies of the accounts and statements stipulated in
paragraph (a) of this Article shall be sent to the Controller
at least twenty one days prior to the date set for the meeting
of the Company's General Assembly.
Article (141)
The Board of Directors shall publish the Company's balance
sheet, its profit and loss account and a detailed summary of
the annual report of the Board of Directors, along with the
auditors report within a period not exceeding thirty days from
the date of the meeting of the General Assembly.
Article (142)
The Board of Directors of a Public Shareholding Company shall
prepare a report every six months in which the financial
position of the Company and the results of its operations are
reported. This report must be certified by the chairman of
the Board of Directors of the Company. Copies of the report
must be sent to the Controller within thirty days from the set
date for its submission to the Board of Directors.
Article (143)
a) The Board of Directors of the Public Shareholding Company
shall annually place in the Company's head office at the
disposal of the shareholders, at least three days prior to the
meeting of the Company's General Assembly a detailed report
containing the following statements copies of which shall be
sent to the Controller:
1- All amounts received from the Company during the
fiscal year by the chairman and each of the members of the
Board of Directors, in the form of wages, fees, salaries,
allowances, remuneration and others.
2- Benefits that the chairman and the members of the
Board of Directors enjoy such as free housing, cars and
others.
3- Amounts that have been paid to the
chairman and members of the Board of Directors during the
fiscal year such as travel and transport allowances in and
outside the Kingdom.
4- Donations paid by the Company during the
fiscal year in details and the parties who received the said
donations.
b) The chairman and the members of the Company's Board of
Directors shall be held responsible for carrying out the
provisions of this Article and for the correctness of the
statements to be submitted in accordance therewith for
shareholders review.
Article (144)
a) The Board of Directors of a Public Shareholding Company
shall direct an invitation to each shareholder to attend the
meeting of the General Assembly, and the invitation shall be
sent via ordinary mail at least fourteen days prior to the
date set for the meeting. The invitations may be delivered to
the shareholder by hand against a signature of receipt.
b) The agenda of the meeting of the General Assembly, and
the report of the Company's Board of Directors, its annual
balance sheet and final accounts, in addition to the auditors
report and the explanatory statements shall be enclosed with
the invitation.
Article (145)
The Board of Directors of the Public Shareholding Company
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shall announce the date set for the meeting of the Company’s General Assembly once in at least two local daily newspapers within a maximum of fourteen days prior to that date. The Board must also announce the said invitation date only once on radio or television within a maximum of three days from the date set for the meeting of the General Assembly.

Article (146)
a) Any Person is entitled, in his personal capacity to be member of the Boards of a maximum of three shareholding companies at any one time. A person is also entitled to act on behalf of a corporate body as a member of the Board of Directors in a maximum of not more than three Public Shareholding Companies. In all cases, the said person is not entitled to be a member of the Board of Directors of more than five Public Shareholding Companies in his personal capacity in some, and as a representative of a corporate body in others. Any membership in a Board of Directors of a Public Shareholding Company obtained by such person contrary to the provisions of this paragraph, shall by the force of this Law, be considered null and void.
b) Each candidate for membership of the Board of Directors of a Public Shareholding Company shall notify the Controller in writing of the names of the companies in which the candidate is a member of the Boards of Directors.
c) No person may stand for election as a member of the Board of Directors of a Public Shareholding Company in his personal capacity, or as a representative of a corporate body if the member is a member of the Board of as may companies as stipulated in paragraph (a) of this Article. However, the member may, if he wishes, be given the chance to resign from any membership within two weeks from the date of his election to the new membership. Prior to rectifying his position in accordance to the provisions of this Article, the member may not attend the meetings of the Board of Directors of the Company to which he was elected a member.

Article (147)
Any candidate for membership of a Board of Directors of a Public Shareholding Company shall not:
a) Be less than twenty one years old.
b) Be a civil servant of the Government or of an official public corporation.

Article (148)
a) Any person who occupies a public post may not be a member of the Board of Directors of any Public Shareholding Company, except in his capacity as a representative of the Government, an official public corporation, or of a public corporate body.
b) Any member of a Company’s Board of Directors or its general manager, may not become a member of the Board of Directors of another Company that carries out businesses similar to the businesses of the Company in which he is a Board member, has identical objectives, or is a competitor thereof. The said Board members is also not entitled to carry out businesses which compete with the business of the Company in which he is a Board member.
c) The chairman of the Board of Directors of any Company, its members, the Company’s general manager, or any of its employees, may not have a direct or an indirect interest in the contracts, projects and relationships which are concluded with the Company or for its account.
d) The provisions of paragraph (c) of this Article shall not apply to those constructions, undertakings and public tenders in which all competitors have an equal opportunity to submit
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their offers. Should the best offer be submitted by any of those mentioned in paragraph (c) of this Article, a two thirds majority of the members of the Board must be obtained provided that the said member shall not have the right to attend the session in which his offer is discussed. Such approval, when given, shall be renewed annually by the Board of Directors if the said contracts or undertakings are of a renewable and periodic nature.

e) Any person from those referred to in paragraph (c) of this Article shall be discharged of his office or position in the Company in the event he violates the provisions of the said paragraph.

Article (149)

If a person is elected in his absence as a Board member of a Public Shareholding Company, he must declare his acceptance or refusal of that membership within ten days from the date of his notification of the result of the election, and his silence regarding this matter shall be considered as acceptance of that membership.

Article (150)

a) If the office of any elected member of the Board of Directors becomes vacant, for any reason whatsoever, he shall be succeeded by a member to be elected by the Board of Directors from among those who have the qualifying requirements for membership. Corporate bodies may take part in that election. This procedure shall always be followed whenever the office of any Board member becomes vacant. The appointment, in such a manner, shall continue to be provisional until it is presented to the Company's General Assembly in its next meeting in order for it to approve such an appointment, or to elect the person who shall occupy the vacant post in accordance with the provisions of this Law. In such a case, the new member shall hold office for the remaining period of the term of office of his predecessor.

b) The number of members who are appointed on the Board of Directors pursuant to this Article must not be more than half of the Board members. Should the office of any Board member becomes vacant after that, the General Assembly should be invited to elect a new Board of Directors.

Article (151)

The financial accounting and administrative matters of a Public Shareholding Company shall be organized in accordance with special by-laws to be prepared by its Board of Directors. These by-laws shall specify in detail the duties, responsibilities, and powers of the Company's Board of Directors regarding such matters. The said by-laws must not contravene the provisions of this Law and the regulations issued in line therewith or any other legislation in force. Copies of these by-laws shall be sent to the Controller. The Minister may, upon the recommendation of the Controller, make any amendments he deems necessary to the said by-laws in a manner that serves the interest of the Company and its shareholders.

Article (152)

a) The chairman of the Board of Directors is considered the president of the Public Shareholding Company and he shall represent it with third parties and before all authorities and he shall exercise all the powers vested in him in accordance with the provisions of this Law, the regulations issued in line therewith, and the other rules enforced by the Company. The chairman of the Board of Directors shall in cooperation with the Company's executive staff execute the resolutions of the Board.
b) The chairman of the Board of Directors may be a full time employee with the approval of two thirds of the Board members. The Board of Directors shall in this case determine the powers and duties which he may expressly exercise and shall fix his fees and allowances provided he is not the chairman of the Board of Directors or the general manager of any other Public Shareholding Company.

c) The chairman of the Board of Directors of the Public Shareholding Company or any member thereof may be appointed as the Company’s general manager or as his assistant or deputy by a resolution to be issued by a two thirds majority of the Board members, in any such cases, provided that the concerned party shall not take part in the voting.

Article (153)

a) The Board of Directors shall appoint a qualified person to act as general manager of the Public Shareholding Company and shall specify his powers and responsibilities in accordance with regulations issued by the Board for this purpose. The Board shall authorize the said manager to carry out the management of the Company in cooperation with the Board of Directors and under its supervision, and will determine the salary of the general manager provided he is not a general manager of more than one Public Shareholding Company.

b) The Board of Directors of the Public Shareholding Company shall have the right to terminate the services of the general manager provided that they inform the Controller of any decision taken thereby regarding the appointment of the Company’s general manager of the termination of his services as soon as the decision is taken.

c) If the securities of the Company are listed in the Market, the Market is to be notified of any decision taken as to the appointment of the Company’s general manager or the termination of his services as soon as the decision is taken.

d) The chairman of the Board of Directors of a Public Shareholding Company or any of its members are not entitled to receive any salary, compensation or remuneration in return for any duties they perform in the Company or for occupying any post therein except for those salaries, compensation and remuneration provided for in this Law and in the cases required for the nature of the Company’s work which have been approved by a two thirds majority of the members of the Board of Directors provided the concerned person shall not participate in voting.

Article (154)
The Board of Directors shall appoint the secretary of the Board and shall determine his salary. The secretary shall arrange Board meetings, prepare the agenda thereof, and record in a special register and on consecutive pages having serial numbers the minutes of the Board’s meetings and resolutions. The said register shall be signed by the Board’s chairman and members who attended the meeting and shall carry the Company’s seal.

Article (155)
a) The Board of Directors of a Public Shareholding Company shall meet upon an invitation in writing directed to its members by the chairman of the Board or his deputy, in case of the chairman’s absence, or upon a request of at least one quarter of the Board’s members submitted to the chairman. The said members must state in their request the reasons which require holding such a meeting. Should the chairman or his deputy not invite the Board to a meeting within seven days
from the date of the receipt of that request, the members who submitted the request shall have the right to invite the Board to meet.

b) The Board of Directors of a Public Shareholding Company shall hold its meetings in the presence of half of the Board’s members at the head office of the Company or in any other place inside the Kingdom if such a meeting cannot be held at the Company’s head office. However, companies which have branches outside the Kingdom or should the nature of the Company’s operation require same, shall have the right to hold a maximum of two Board meetings annually outside the Kingdom.

The resolutions of the Board of Directors shall be adopted by an absolute majority of the members present at the meeting and in case of equality of votes, the chairman of the meeting shall have a casting vote.

a) Voting on the Board of Directors’ resolutions shall only be made in person. Voting by proxy or by correspondence or by another indirect manner shall not be permitted.

b) The Board of Directors shall have at least six meetings during the Company’s fiscal year provided that not more than two months have elapsed before holding a Board meeting. The Controller shall receive a copy of the invitation for each of the said meetings.

Article (156)

a) The Board of Directors of the Public Shareholding Company or its general manager shall have full power to manage the Company within the limits stipulated in its Memorandum of Association. Actions and deeds conducted and exercised by the Board or the Company’s manager in its name shall be binding to it against third parties who deal with the Company in good faith and the Company shall have the right to claim compensation from him for the damage sustained by it, irrespective of any restriction set forth in the Company’s Memorandum or Articles of Association.

b) The third party who deal with the Company shall be deemed a bona fide third party unless the contrary is proved. However, such third party is not obliged to ascertain the existence of any restriction on the authorities of the Company’s general manager or the Board of Directors or on their power to bind the Company under its Articles and Memorandum of Association.

Article (157)

a) The chairman and the members of the Board of Directors of the Public Shareholding Company shall be held responsible towards the Company, shareholders and others for any violation that may be committed by any one or all of them of the enforced laws and regulations and of the Company’s Memorandum of Association and for any fault in the management of the Company. The consent of the General Assembly for discharging the Board from its responsibility shall not prevent bringing the chairman and the Board of Directors to Court.

b) The liability stipulated in paragraph (a) of this Article shall be either personal, borne by one or more member of the Board of Directors, or collective, borne by the chairman and the members of the Board of Directors, and in such a case, they shall be jointly and severally liable for compensating for the damage that results from the said violation or mistake. Members who have already objected to the resolution adopted regarding the violation in the minutes of the meeting shall not be liable for such compensation. In all cases, claims regarding this responsibility shall cease after the lapse of five years from the date the General Assembly has approved the Company’s annual balance sheet and
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Article (158)
The chairman and members of the Board of Directors of a Public Shareholding Company and its general manager or any of its employees, shall be prohibited from disclosing to any shareholder in the Company or to an outsider any information or data relating to the Company or a confidential nature, and which the said chairman, members, manager or employees have acquired in their official capacity with the Company, or as a result of undertaking any business therefore or therein, or otherwise they shall be discharged from their position, and shall be liable to pay compensation for the damage that has been incurred by the Company. Information permitted to be published per current laws and regulations shall be excluded from the aforesaid information. The approval of the General assembly to release the chairman and members of the Board of Directors from this responsibility shall not be accepted.

Article (159)
The chairman and the Board of Directors of a Public Shareholding Company shall be jointly and severally responsible towards the shareholder for any default or negligence in the management of the Company. However, upon the liquidation of the Company and the existence of a deficit in its assets, in a manner that renders the Company unable to meet its obligations, and should the reason for such a deficit be the default or negligence of the chairman and members of the Board or its general manager or auditors, the Court shall have the right to hold any of the aforesaid persons liable for the debts of the Company in full or in part, as the case may be. The Court shall determine the amounts the said persons are liable for and whether they are jointly liable or not.

Article (160)
The Controller, the Company and any shareholder therein shall have the right to file a case with the Court in accordance with the provisions of Articles 157, 158 and 159 of this Law.

Article (161)
a) The decision taken by the General Assembly regarding the discharge of responsibility shall not be considered as evidence except after the presentation of the Company’s annual accounts and auditors’ report to the Assembly.
b) This discharge of responsibility shall only include matters which the General assembly was able to verify.

Article (162)
a) Remuneration of chairman and member of the Board of Directors shall be determined at a rate of 10% of the net profit to be distributed as dividends to shareholders, after deducting all reserves and taxes therefrom, provided that the remuneration for any one of them must not exceed five thousand (5000) Jordanian Dinars annually. Remuneration shall be distributed amongst them in proportion to the number of meetings attended by each of them. Meetings not attended by the member for a justifiable cause approved by the Board shall be considered from those attended by the member.
b) If the Company is still in the formation stage and has not realized profits yet, an annual remuneration may be distributed to the chairman and members of the Board at a rate not exceeding one thousand Jordanian Dinars for each member until the Company starts to realize profits, and then it shall be subject to the provisions of paragraph (a) of this Article.

c) In the event the Company has incurred losses after realizing profits or has not realized any profits yet,
chairman and each member of the Board shall be paid a remuneration for their efforts in managing the Company at the rate of twenty (20) Jordanian Dinars for every Board meeting, or for every meeting of the committees emanating therefrom, provided that such remuneration must not exceed six hundred (600) Jordanian Dinars annually for each one of them.

d) Travel and transport allowances for the chairman and members of the Board of Directors shall be determined in accordance with special regulations to be issued by the Company for this purpose.

Article (163)
Any member of the Board of Directors of a Public Shareholding Company, other than representatives of a public corporate body, may submit his registration from the Board, provided that his resignation is made in writing, and the said registration shall take effect as of the date of its submission to the Board and it may not be withdrawn.

Article (164)
a) The chairman of the Board of Directors of a Public Shareholding Company, or any member thereof, shall lose his Board membership if he is absent from the meetings of the Board of Directors for four consecutive times without reasonable cause acceptable by the Board, or if he is absent from the meetings of the Board of Directors for six consecutive months even though there is a reasonable cause for the absence. The Controller shall be informed of the decision of the Board of Directors in accordance with the provisions of this Article.

b) The corporate body shall not lose his membership on the Board due to the absence of his representative in any of the two cases stipulated in paragraph (a) of this Article, but the corporate body should appoint another person to replace the said representative as soon as it is informed of the Board resolution.

Article (165)
a) The General Assembly of a Public Shareholding Company shall have the right, during an extraordinary meeting and upon the request of shareholders holding not less than 30% of the shares of the Company, to dismiss the chairman of the Board of Directors or any of its members except for those members who represent the shares of the government or any corporate body. The request for dismissal shall be submitted to the Board of Directors, and a copy thereof shall be sent to the Controller. The Board of Directors shall invite the General Assembly to hold an extraordinary meeting within ten days from the date of submission of the request thereto, in order for the Assembly to consider the dismissal request and take the appropriate decision in that respect. If the Board of Directors fails to invite the General Assembly to a meeting, the Controller shall do so at the expense of the Company.

b) The General Assembly shall discuss the request for dismissal of any member and may listen to his statements either orally or in writing, after which the members will vote on the request by secret ballot.

Article (166)
The chairman of the Board of Directors of a Public Shareholding Company and any member thereof, and the Company's general manager and any of its employees, shall be prohibited from dealing directly or indirectly in the shares of the Company, on the basis of information which may have been acquired by any one of them in their capacity in the Company. He is also prohibited from revealing such information to any other person with the aim of affecting the prices of the shares of this Company, any other subsidiary, holding company or company affiliated thereto in which he is a
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Board member, or is an employee, or should such a disclosure of information cause such an effect. Any dealing or transaction to which the provisions of this Article are applicable shall be considered null and void. The person who undertakes such a dealing or transaction shall be liable for the damage incurred by the Company, its shareholders or others, if any case is brought before Court regarding the said damage.

Article (167)

a) Should the chairman of the Board of Directors of a Public Shareholding Company, or any of its members, submit his resignation, or should the Board cease to have quorum due to the resignation of some or all of its members, the Minister shall form a provisional committee composed of any number of experienced and specialized persons which he deems appropriate. The Minister shall appoint from among the members of the committee a chairman and a deputy in order to assume the management to the Company. He shall also invite the Company’s General Assembly to meet within a period not exceeding six months from the date of the formation of the committee, in order to elect a new Board of Directors for the Company. The chairman of the committee and its members shall be granted remuneration at the expense of the Company in accordance with what is determined by the Minister.

b) The provisions of paragraph (a) of this Article shall be applicable to Banks and financial institutions after seeking the opinion of the Governor of the Central Bank of Jordan.

Article (168)

a) The chairman of the Board of Directors, any members thereof, its general manager or its auditors shall notify the Controller of the occurrence of any financial or administrative disorder or serious losses which affect the rights of the Company’s shareholders or creditors. Failure to do so by any of the aforesaid shall subject them to omission liability.

b) The Minister shall, in any of these cases and upon the recommendation of the Controller, after ascertaining the correctness of the notification, dissolve the Company’s Board of Directors and form a committee of a number of experienced and specialized persons to manage the Company in the number he deems proper for a period of six months renewable for only one time and shall appoint a chairman and a deputy chairman from among its members. In this case, the committee shall invite the General Assembly during that period in order to elect a new Board of Directors for the Company. The chairman and members of the committee shall be granted remuneration, at the Company’s expense, as shall be determined by the Minister.

CHAPTER NINE
THE GENERAL ASSEMBLY OF A PUBLIC SHAREHOLDING COMPANY ORDINARY MEETINGS OF THE GENERAL ASSEMBLY

Article (169)
The General Assembly of a Public Shareholding Company shall hold at least one ordinary meeting per year inside the Kingdom, upon the invitation of its Board of Directors, on the date set by the Board in agreement with the Controller, provided that the meeting shall be held within the four months following the end of the Company’s fiscal year.

Article (170)
Ordinary meetings of the General Assembly of a Public Shareholding Company shall be deemed legal if attended by shareholders representing more than one half of the Company’s subscribed shares. Should such a quorum not be present after the lapse of one hour from the time fixed for the meeting, the
chairman of the Board of Directors shall direct an invitation to the General Assembly to hold another meeting within ten days from the date of the first meeting. The invitation shall be made through an announcement published in at least two local daily newspapers, at least three days prior to the date set for the meeting. The second meeting shall be considered legal regardless of the shares represented therein.

Article (171)

a) The powers of the ordinary General Assembly of a Public Shareholding Company shall include those powers needed for considering, discussing and taking the appropriate resolutions on all matters relevant to the Company and particularly the following:

1- Minutes of the previous ordinary meeting of the General Assembly.
2- Report of the Board of Directors on the activities of the Company during the years along with its future plans.
3- Report of the Company's auditors on the Company's balance sheet, other final accounts and financial status.
4- Annual balance sheet, the profit and loss account and profits that the Board of Directors proposes to distribute, including the reserve and allocations which the Law and the Memorandum of Association of the Company stipulate should be deducted.
5- Election of the members of the Board of Directors.
6- Election of the Company's auditors for the next fiscal year.
7- Discussion of proposals to borrow funds, create a mortgage or release guarantees in accordance with its Memorandum of Association.
8- Any other matter the Board of Directors has included in the meeting's agenda.
9- Any other matters the General Assembly proposes to include in the agenda, and is within the scope of work of the General Assembly in its ordinary meetings, provided that such a proposal must be with the approval of shareholders representing not less than 10% of the shares represented in the meeting.

b) The Invitation for the meeting of the General Assembly should include an agenda of the issues to be presented to the General Assembly for discussion, in addition a copy of any documents or statements relating to such.

Extraordinary Meetings of the General Assembly

Article (172)

a) The General Assembly of a Public Shareholding Company shall hold an extraordinary meeting inside the Kingdom upon the invitation of the Board of Directors, or upon a written request submitted to the Board from shareholders holding not less than one quarter of the Company's subscribed shares, or upon a written request submitted by the Company's auditors or the Controller, should shareholders holding in person not less than 15% of the Company's subscribed shares request such a meeting.

b) The Board of Directors shall invite the General Assembly to the extraordinary meeting which the shareholders, the Company's auditors or the Controller has requested to be convened in accordance with the provisions of paragraph (a) of this Article, within a period not exceeding fifteen days from the date the Board has been notified of that request. Should the Board fail to direct such an invitation or refuse to respond to the request, the Controller shall invite the General Assembly to convene at the expense of the Company.
Article (173)
a) Subject to the provisions of paragraph (b) of this Article, an extraordinary meeting of the General Assembly of the Public Shareholding Company shall be deemed legal if attended by shareholders representing more than one half of the subscribed shares of the Company. Should such a quorum not be present after the lapse of one hour of the time fixed for the meeting, then the meeting shall be postponed to another date to be held within ten days from the date of the first meeting. The chairman of the Board shall announce the new date of the meeting in at least two local daily newspapers, at least three days prior to the date set for the new meeting. The second meeting shall be deemed legal with the presence of shareholders representing at least 40% of the Company’s subscribed shares. Should such a quorum not be present in the second meeting, it shall then be cancelled, whatever the reasons for the invitation are.

b) The legal quorum for the meeting of the extraordinary General Assembly of the Public Shareholding Company, held in the event the Company is to be liquidated or merged with other companies, should not be less than two thirds of the Company’s subscribed shares.

Article (174)
The invitation for an extraordinary meeting of the General Assembly must include all matters to be presented and discussed at the meeting. Should the agenda include amendments to the Articles and Memorandum of Association of the Company, the proposed amendments must be attached to the invitation for the meeting.

Article (175)
a) The General Assembly of a Public Shareholding Company shall, at its extraordinary meeting, discuss, consider and take appropriate resolutions regarding the following matters:

1. Amending the Article and Memorandum of Association of the Company.
2. Merging of the Company with another company.
3. Liquidation and dissolution of the Company.
4. Dismissal of the chairman of the Board of Directors or any member thereof.
5. Sale of the Company or acquisition of another company in full.
6. Increase of the Company’s authorized capital or decrease of the Company’s capital.
7. Issuance of corporate bonds transferable to shares.

The resolution at an extraordinary meeting of the General Assembly shall be adopted by a majority of 75% of the total shares represented in the meeting. Resolutions adopted by the General Assembly at its extraordinary meetings shall be subject to the procedures of approval, registration and publication determined in accordance with this Law except for the matters stated in items (4) and (7) of paragraph (a) of this Article.

Article (176)
The General Assembly of a Public Shareholding Company may discuss at its extraordinary meetings issues falling within its powers at ordinary meetings. The General Assembly’s resolutions in this case shall be adopted by an absolute majority of shares represented in the meeting.

GENERAL RULES FOR MEETING OF THE GENERAL ASSEMBLY

Article (177)
a) The ordinary meeting of the General Assembly of a Public Shareholding Company shall be presided over by the chairman of
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the Board or his deputy, in case of the chairman’s absence, or by any person delegated by the Board if both the chairman and his deputy are absent.
b) The number of the members of the Board of Directors who should attend meetings of the General Assembly must not be less than the number needed for constituting a quorum required for holding meetings of the Board. Board members must not be absent from the meetings except with justifiable cause.

Article (178)
Every shareholder in the Public Shareholding Company who was registered in the Company’s register three days prior to the date set for any meeting of the General Assembly shall have the right to take part in discussing matters presented thereto and to vote on the resolutions adopted by the Assembly regarding these matters, each according to the number of shares he represents in person and by proxy.

Article (179)
a) The shareholder in a Public Shareholding Company shall have the right to give a proxy to another shareholder to attend any meeting of the Company’s General Assembly. The proxy shall be in writing, on a special form which shall be prepared by the Company’s Board of Directors for this purpose with the approval of the Controller. Proxies must be deposited at the Company’s head office at least three days before the date set for the meeting of the General Assembly. The Controller, or any person delegated by him, shall examine the said proxies. The shareholder may also give a proxy to another person by virtue of a notarial power of attorney to attend the meeting on his behalf.
b) The proxy shall be valid for any postponed meeting which the representative will attend for the General Assembly.
c) The presence of a trustee, guardian or attorney for the shareholder or the representative of a corporate body which is a shareholder in the Company shall be considered as the legal presence of the original shareholder at the meetings of the General Assembly, even if the said trustee, guardian or representative of the corporate body is not a shareholder in the Company.

Article (180)
a) The Controller, or anyone delegated in writing thereby from the staff of the Companies’ Control Directorate at the Ministry, shall undertake to execute the measures laid down for holding the meeting of the General Assembly of a Public Shareholding Company in accordance with the regulations issued by the Minister for this purpose. The Controller may seek the assistance of any of the staff of the Ministry in implementing executing the provisions of this Article. These amounts shall be deposited in a special fund at the Ministry of Industry & Trade.
b) The fees which should be paid by Companies shall be specified in special regulation. The regulation shall determine method of payment from this fund including the remuneration to be paid to the Controller and the staff of the Ministry who take part in meeting of General Assemblies.

Article (181)
a) The chairman of the General Assembly of a Public Shareholding Company shall appoint, from among the shareholders or the Company’s employees, a clerk to record the minutes of the meeting of the General Assembly and the resolutions that shall be taken therein. The chairman shall also appoint not less than two supervisors to collect and sort out the voting papers. The supervisor or his representative shall announce the voting results.

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b) The minutes of the meeting shall include the legal quorum for the meeting, the issues that have been presented during it, the resolutions that have been adopted regarding these issues, numbers of votes which support and reject every resolution and those which are not known yet in addition to the deliberations of the General Assembly which the shareholders request that they should be recorded in the minutes. The minutes of the meeting shall be signed by the chairman of the meeting, the supervisor and the secretary. These minutes should be documented in a special register prepared by the Company for his purpose. The Board of Directors shall send a signed copy of the minutes to the Controller within ten days from the date of holding the meeting of the General Assembly.

c) The Controller may give certified copies of the minutes of the meeting of the General Assembly to any shareholder against required fees, in accordance with the provisions of this Law.

Article (182)
The Board of Directors shall invite the Controller and the Company’s auditors to the meeting of the General Assembly at least fifteen days prior to the date set for the meeting. The auditor shall attend or delegate a person to represent him failing which he shall be held responsible. The meeting’s agenda and all data and enclosures which the Law stipulates that it should be attached to the invitations directed to shareholders shall be attached thereto. Any meeting of the General Assembly not attended by the Controller shall be considered null and void.

Article (183)
a) Resolutions adopted by the General Assembly of a Public Shareholding Company at any of its meeting that convenes with the presence of a legal quorum, shall be binding upon the Board of Directors and all shareholders, whether they attended the said meeting or not, provided that these resolutions have been adopted in accordance with the provisions of this Law and the regulations issued in line therewith.

b) It is permitted to contest the legality of any of the meetings of the General Assembly and to contest the resolutions adopted at any one of these meetings. The Court shall not entertain any contested case, should the appeal be made after the lapse of three months from the date of the meeting, provided that such contestation shall not suspend the execution of any of the resolutions of the General Assembly until the issuance of a final judgment rendering such resolution groundless.

CHAPTER TEN
COMPANY’S ACCOUNTS

Article (184)
A Public Shareholding Company shall organize its accounts and keep its registers and books in accordance with generally accepted accounting principles.

Article (185)
a) The fiscal year of a Public Shareholding Company shall start on the first of January of each year and shall end on the thirty first of December of the same year, unless otherwise provided for in the Company’s Memorandum of Association.

b) Should the Company commence its business during the first half of the year, then its fiscal year shall end on the thirty first of December of the same year. However, if the Company
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A Public Shareholding Company shall decide whether or not to distribute any profits to shareholders. In the case of a favorably disposed board, the Company shall allocate an amount equivalent to 10% of its annual net profit for the account of its compulsory reserve. These deductions may not cease before the total amount accumulated in the account of the statutory reserve has become equal to one quarter of the Company's subscribed capital. However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed capital of the Company in full. A Public Shareholding Company may not distribute its compulsory reserve among its shareholders. However, the Company may use the said reserve to secure the minimum limit of profits as required by the agreement of Companies having concessions, in any year, when their profits at the said year cannot secure that minimum limit. The Company's Board of Directors must refund to that reserve the amounts which have already been deducted therefrom whenever the profits of the Company allow that in the following years.

Article (187)

a) The General Assembly of a Public Shareholding Company may upon the suggestion of its Board of Directors, decide to deduct annually 20% of its annual net profits for the account of the voluntary reserve.

b) The voluntary reserve of a Public Shareholding Company shall be used for the purposes decided upon by its Board of Directors. The General Assembly shall have the right to distribute that reserve in full or in part as profits to shareholders, if it has not been used for those purposes.

c) The General Assembly of the Public Shareholding Company may, upon the proposal of its Board of Directors, decide to annually deduct not more than 20% of its net profits for that year as a special reserve to be used for emergency, extension purposes or for enhancing the financial position of the Company and facing the risks which it may encounter.

Article (188)

A Public Shareholding Company should allocate not less than 1% of its annual net profits to be spent for supporting scientific research work and vocational training in the Company and to spend same or any portion thereof on scientific research and training. If this amount or any portion thereof is not spent within the three years of each deduction, the balance should be deposited into a special fund to be set up in accordance with a regulation issued for that purpose. The regulation shall specify method and basis of payment, provided that it shall not be beyond the intended purpose of this Law.

Article (189)

In order to achieve the intended purposes of Articles (186), (187) and (188) of this Law, the net profits of a Public Shareholding Company represent the difference between the total realized revenues in any fiscal year, on the one hand, and the sum of expenses and depreciation in that year, on the other hand, before deducting the allocations for income and social service taxes.

Article (190)

The Company may set up a savings fund for its employees which
shall enjoy an independent corporate entity status administratively and financially in accordance with special regulations to be issued by the Company’s Board of Directors.

Article (191)

a) The rights entitling the shareholder to obtain his share of the Company’s annual profits commences on the date of adopting a resolution by the General Assembly regarding distribution of dividends.

b) The right of the shareholder to receive profits from the Company shall be on the date of the meeting of the General Assembly on which it decides to distribute profits. The Company’s Board of Directors shall announce that in at least two daily newspapers and through other mass media within one week at most from the date of the issuance of the General Assembly’s resolution. The Company shall notify the Controller and the Market of that resolution.

c) The Company undertakes to pay the dividends determined to be distributed to shareholders within sixty days from the date of the General Assembly’s meeting. In case of default, the Company shall pay interest to the shareholding at the interest rate on time deposits during the delay period provided that the delay period for payment of dividends shall not exceed six months from the date of maturity thereof.

d) The Minister shall, in cooperation with competent authorities, issue the forms which are necessary for preparing and presenting the statements of accounts and for issuing the accounting policies relating Public Shareholding Companies except for Banks and financial institutions where the financial statements thereof shall be made in coordination with the Central Bank.

PART SEVEN

AUDITORS

Article (192)

a) The General Assembly of a Public Shareholding Company, a Limited Partnerships in Shares, and a Limited Liability Company shall elect one or more licensed auditors from among the licensed auditors for one renewable year and shall determine their fees or authorize the Board of Directors to determine such fees.

b) If the General Assembly fails to elect a auditor, or if the auditor who has been elected apologized or declined to carry out the work for any reason whatsoever, or if he dies, the Board of Directors should recommend to the Controller at least three auditors within fourteen days from the date of the vacancy of such post with the intention of electing one of them.

Article (193)

The auditors shall undertake jointly and severally the following duties:

a) To monitor the Company’s operations.

b) To audit its account in accordance with approved audit rules, auditing profession principals and scientific and technical standards.

c) To review the financial and administrative by-laws of the Company and its internal financial controls and to ensure their appropriateness for the Company’s business and safeguarding of its assets.

d) To verify the Company’s assets and its ownership thereof and to ascertain the legality and correctness of the Company’s obligations.

e) To review the resolutions of the Board of Directors and the instructions issued by the Company.
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f) Any other duties the auditor must perform in accordance with this Law, the Auditing Profession Law, the other regulations related thereto and generally accepted auditing standards.

g) The auditors shall submit a written report to the General Assembly and shall, either themselves or anyone delegated by them, read the report before the General Assembly.

Article (194)
Should the auditor fail, for any reason whatsoever, to perform the duties and responsibilities vested in him in accordance with the provisions of this Law for any reason whatsoever, then he must, prior to declining the audit of the Company’s accounts, submit to the Controller a report in writing, with a copy thereof to the Board of Directors. This report must include the reason that hinder his work or prevent him from performing his duties. The Controller shall discuss these reasons with the Board of Directors and solve same. If the Controller fails to do so, then he must put the matter before the General Assembly at the first meeting held by it.

Article (195)
a) Subject to the Auditing Profession Law in force, any Law or other regulation relating to this profession, the auditor’s report must include the following:
1- That the auditor has obtained the information, statements and clarifications he deemed necessary to perform his work.
2- That the Company keeps proper books of account, registers and documents maintained in accordance with internationally accepted accounting principles and adopted in the Kingdom by competent professional bodies which can clearly show the financial position of the Company and the results of its operations and that the balance sheet and profit and loss account are in conformity with the records and books.
3- That the audit procedures carried out by him for the Company’s accounts are, in his opinion, considered sufficient reasonable basis to express his opinion regarding the Company’s financial position, results of its operations and cash flows in accordance with internationally recognized audit rules.
4- That the financial statements included in the Board of Director’s report addressed to the General Assembly are in compliance with the Company’s records and registers.
5- Any violations of the provisions of this Law or of the Company’s Memorandum of Association that have taken place during the year in question and which have had a material effect on the results of the Company’s operations and its financial status and whether any of these violations still exist within the limits of the information available to him.

b) The auditor must give his final opinion on the Company’s balance sheet and profit and loss account in one of the following ways:
1- Absolute approval of the annual sheet, profit and loss account and cash flows.
2- Qualified approval of the balance sheet, profit and loss account and cash flows, provided that he must state the reasons for such a qualification and its financial effect on the Company.
3- Non-approval of the balance sheet, profit and loss account and cash flows and returning them to the Board of Directors with the reasons justifying such a non-approval.

Article (196)
In the event the auditor recommends not to certify the financial statements and returns it to the Board of Directors...
Company Law

of the Company, the Company's General Assembly may decide the following:

a) Either to request from the Board of Directors to rectify the balance sheet and the profit and loss accounts in accordance with the auditor's remarks and consider them as certified after making such a rectification.
b) Or refer the matter to the Controller in order to appoint a committee of experts from among licensed auditors to decided upon the dispute arising between the Company's Board of Directors and its auditors. The decision of the said committee shall be binding after presenting it for a second time to the General Assembly for its approval. The balance sheet and the profit and loss account shall be adjusted accordingly.

Article (197)
The auditor is not entitled to participate in the formation of a Public Shareholding Company which he audits, to be a member of its Board of Directors, to work permanently in any technical, administrative or consultancy work therein, to be a partner to any member of its Board of Directors or to be an employee thereof. Otherwise, any action in violation of the provisions of this Article shall be considered null and void.

Article (198)
The Board of Directors shall provide the auditor with a copy of the reports and statements which it sends to the shareholders including the invitation for attending the meetings of the Company's General Assembly and the auditor or his representative shall attend that meeting.

Article (199)
The auditor of the Company shall be the representative of the shareholders therein within the limits of the duties vested in him. Each shareholder may during the meeting of the General Assembly, request clarification from the auditor regarding his report and may discuss the matter with him.

Article (200)
Should the auditor be aware of any violation made by the Company of this Law, to the Company's Memorandum of Association or any important financial matters which may adversely affect the financial or administrative position of the Company, he must immediately notify in writing the chairman of the Board of Directors, the Controller and the Market as soon he discovers or becomes aware of these matters provided that such information shall be dealt by all parties with strict confidentiality until the violations is decided upon.

Article (201)
The auditor shall be liable towards the Company which he audits its accounts for compensating any damage that the Company may incur as a result of faults made by him while carrying out his duties. If the Company has more than one auditor and they have jointly participated in that fault, then they shall jointly be responsible to the Company for that fault. Any civil claim arising from any of the aforesaid cases shall be prescribed after the lapse of three years from the date of holding the General Assembly meeting of the Company in which the auditors report has been read out. Should the auditor commit a crime, then he shall not be discharged of his responsibilities unless legal proceedings for the public right are prescribed. The auditor shall be liable for compensating the damage which the shareholder or bona fide third parties incur as a result of his fault.
Company Law

Article (202) Without prejudice to the main obligations of the auditor, the auditor must not disclose to the shareholders at the place of the General Assembly meeting or at any other place or at any time or to non-shareholders any secrets of the Company which come to his knowledge in the course of his duty therein. Otherwise he shall be dismissed and requested to compensate for damages.

Article (203) The Company’s auditor and his employees shall not permitted to speculate in the shares of the Company which he audits its accounts whether such a speculation is being done directly or indirectly. Otherwise, the auditor shall be penalized by dismissal from his job as an auditor of the Company and shall be requested to compensate for any damage that he has caused as a result of his violation of the provisions of this Article.

PART EIGHT HOLDING COMPANIES

Article (204) a) A Holding Company is a Public Shareholding Company which has financial and administrative control over one or more Companies called subsidiary Companies in one of the following methods:

1- To acquire more than one half of the Company’s share capital and/or
2- To have control over the formation of its Board of Directors.

b) A Holding Company shall be prohibited from acquiring any stocks or shares in General Partnerships or Limited Partnerships.

c) A subsidiary company shall be prohibited from acquiring any stocks or shares in the Holding Company.

d) The Holding Company shall appoint its representative on the Boards of Directors of the subsidiary company in proportion to its shareholding therein. It may not participate in the election of the remaining members of the Board of Directors or the Management Committee as the case may be.

Article (205) The objectives of Holding Company are the following:

a) Management of subsidiary companies or participation in the management of other companies which it is a shareholder therein.

b) Investment of its funds in shares, bonds and securities.

c) Providing loans, guarantees and finance to its subsidiary companies

d) Ownership of patents, trademarks, concession rights and other intangibles and the exploitation and leasing thereof to its subsidiary companies or to other companies.

Article (206) a) A Holding Company shall be established in one of the following ways:

1- Establishment of a Public Shareholding Company whose objectives are limited to those activities stated in Article (205) of this Law or any part thereof, and the establishment of subsidiary companies thereto, or the possession of shares or stocks in other Public Shareholding Companies, Limited Liability Companies or in Limited Partnerships Shares to achieve the said objectives.

2- Amendment of the objectives of an existing Public Shareholding Company to a Holding Company in accordance
Company Law
with the provisions of this Law.

Article (207)
The provisions of this Law shall apply to Holding Companies which are formed in the Kingdom under agreements concluded between the Government of the Hashemite Kingdom of Jordan and other governments or Arab or international organizations, in the cases that are not stipulated in their establishment agreements, their Articles and Memorandum of Association.

Article (208)
The Holding Company shall prepare at the end of each fiscal year a consolidated balance sheet and profit and loss accounts for it and for its subsidiary companies together with the explanations and statements thereon in accordance with the internationally recognized accounting principles.

PART NINE
MUTUAL FUND COMPANIES (JOINT INVESTMENT COMPANIES)

Article (209)
a) The Mutual Fund Company shall be registered as a Public Shareholding Company with the Controller of Companies in a separate register. The objectives of this Company shall be confined to investment of its funds and of third parties' funds in securities of different types and to regulate its operations in accordance with the provisions of the Securities Law.
b) The Mutual Fund Company shall be subject to all of the provisions of this Law regarding the Public Shareholding Company subject to the following:
   1. The Articles and Memorandum of Association of the Company should include the name of an investment consultant licensed in accordance with the laws in force to manage the investments of the Company.
   2. If the Mutual Fund Company has a variable share capital, it shall not be subject to the provisions of paragraphs (a) and (b) of Article (95) of this Law which provide that the minimum limit of the authorized share capital of the Company should be five hundred thousand (500,000) Dinars which should be paid up within three years.
   3. The Board of Directors solely, and without the need to obtain the approval of the General Assembly of a Mutual Fund Company with a variable capital, shall have the right to increase or decrease its authorized share capital as shall be deemed appropriate by it, provided that the Controller should be notified of that within ten days from the date of the resolution of increase or decrease.
   4. A shareholder in a Mutual Fund Company having a variable capital may request the Company to redeem his shares at a price representing the net value of the shares calculated on the date of redemption less the value of any fees or commissions determined in the Memorandum of Association of the Company.
   5. The Board of Directors of a Mutual Fund Company shall not be obliged to call for the convening of the General Assembly except during the years in which a new Board of Directors should be elected unless the Company's Memorandum of Association provides otherwise.
   6. Notwithstanding the provisions of Article (274) of this Law, the shareholder in a Mutual Fund Company with a variable capital may not have access to the shareholders' registers in the Company unless it is provided otherwise in the Company's Memorandum of Association.
   7. Should a Mutual Fund Company with a variable capital merge with another company, the shareholders in the
Company Law

Mutual Fund Company with a variable capital who, at the meeting of the General Assembly objected to the merger, may not claim the value of their shares in the manner provided for in Article (235) of this Law. However, they shall reserve their right to claim from the Company to redeem their shares as stated in clause (4) of paragraph (b) of this Article.

Article (210)

Mutual Fund Companies may adopt either of the two following forms:

a) Companies having a variable capital, which are the companies that issue shares redeemable by the Company at a price fixed with reference to its net current assets. The Company is committed at any time to redeem these shares upon the requests of a shareholder and at the price announced weekly by the Company with the knowledge of the Market.

b) Companies having a fixed capital; which are companies that issue irredeemable shares which are traded in the Market at the prices determined in the Market.

c) The increase of decrease of capital in the Company with a variable capital shall not be subject to the procedures stipulated in this Law, unless provided otherwise in its Memorandum or Articles of Association. The value of the shares of the Company shall remain nominal even after payment of same.

PART TEN

OFFSHORE COMPANIES (EXEMPT COMPANIES)

Article (211)

a) An Offshore Company is a Public Shareholding Company, a Limited Partnership in Shares or a Limited Liability Company which is registered in the Kingdom and carries out its operations outside the Kingdom. The word (Exempt Company) shall be added to the name of the said Company.

b) An Offshore Company shall be prohibited from offering its shares for public subscription in the Kingdom.

Article (212)

An Offshore Company shall be registered with the Controller in a register specially prepared for Jordanian Companies operating outside the Kingdom. The capital of such a Company should not be less than one million Jordanian Dinars if its activity is in the field of insurance, reinsurance, Banks or financial institutions.

Article (213)

The Offshore Company must invest not less than 5% of its capital in the Kingdom in Jordanian securities.

Article (214)

The provisions and special conditions relating to the formation of Offshore Companies and their operations, the fees due by them and the control thereof shall be determined by a regulation to be issued in accordance with this Law.

PART ELEVEN

TRANSFORMATION, MERGER AND ACQUISITION OF COMPANIES

Article (215)

General Partnerships may be transformed to Limited Partnerships and Limited Partnerships may also be transformed to General Partnerships with the approval of all partners and by following the legal procedures for the registration of the company and registration of the changes effected thereto.

Article (216)

A company may be transformed to a Limited Liability Company or to a Limited Partnership in Shares by the following procedures:
Company Law

a) A written application by all the partners or the resolution of the General Assembly of the company should be submitted to the Controller, as the case may be, expressing their desire to transform the company together with the reasons and justification for the transformation and the type of company to which the transformation will be made. The following should be attached to the application:

1- The company's balance sheet for each of the last two years preceding transformation application duly certified by a licensed auditor, or the balance sheet of the company for the last fiscal year if no more than one year has elapsed since the company was registered.

2- A statement made by the partners, estimating the Company's assets and liabilities.

b) The Controller shall, within fifteen days from the date of submission of the application, announce in at least two local daily newspapers, at the expense of the company, the intended transformation, and it should be indicated in the announcement as to whether the creditors or others have any objection to the transformation. The transformation shall not be accomplished except with the written approval of the creditors.

c) The Controller shall verify the correctness of the estimates of the net equity of the partners or shareholders, as the case may be, in the way he deems suitable including the appointment of one or more experts to verify the correctness of these estimates. The company shall bear all the experts' fees as determined by the Controller.

d) The Controller may accept or reject the transformation. In case of rejection, his decision shall be subject to the determined rules of contestation but in case of approval the registration and publication procedures shall be completed in accordance with the provisions of this Law.

Article (217)
A Limited Liability Company and a Limited Partnership in Shares may be transformed to a Public Shareholding Company pursuant to the provisions stipulated in this Law. The application shall be submitted to the Controller together with the following:

a) The resolution of the General Assembly of the company approving the transformation.

b) The reasons and justifications for the transformation based on an economic and financial study of the company's status and the position after transformation.

c) An annual balance sheet for the last three consecutive years preceding the application for transformation, provided that the average annual net profit should not be less than 10% of the company's paid capital.

d) A statement that the company's capital has been paid in full.

e) A statement by the company indicating the preliminary assessments of the value of its assets and liabilities.
Company Law

Article (218)
The Minister may, upon the recommendation of the Controller, approve the transformation of the Limited Liability Company or the Limited Partnership in Shares to a Public Shareholding Company, within thirty days from the date of submitting the application referred to in Article (225) of this Law, and after completing the following procedures:

a) Valuation of the assets and liabilities of the company to be transformed by a committee of experts and specialized persons. The committee shall be formed by the Minister, provided that one member of the committee is a licensed auditor. The Minister shall determine the remuneration of the committee, at the expense of the company.

b) The written approval of the creditors to the transformation.

Article (219)
a) The Controller shall announce the resolution of the Minister approving the transformation in at least two local daily newspapers, and for two consecutive times, at the expense of the company. The Controller notify the Market of such resolution.

b) Any concerned person may object to the Minister against the transformation resolution within thirty days from the date of publishing the last transformation announcement indicating therein the reasons and justifications for the objection. Should the submitted objections, or any one of them, not be settled within thirty days from the date of submitting the last objection, then each objector may contest the resolution of the Minister at the High Court of Justice within thirty days from the end of that period, provided that this contestation shall not suspend the transformation procedures unless the Court decides otherwise.

Article (220)
The implementation in full of the procedures of registration and publication as stipulated in this Law is a pre-requisite for the transformation of the company. Should the capital resulting from the re-evaluation be less than the minimum limit of the Public Shareholding Company’s capital as determined by this Law, then the legal procedures concerning the increase of the capital of the Public Shareholding Company stipulated in this Law shall be followed.

Article (221)
The transformation of any company into other company shall not necessitate the emergence of a new corporate body. The company shall preserve its previous corporate entity and shall preserve all its rights and shall be liable for all its obligations prior to the transformation. The responsibility of the General Partner, in his private properties, for the Company’s debts and obligations prior to the transformation date shall remain valid.

CHAPTER TWO
MERGER OF COMPANIES

Article (222)
The merger of the companies provided for in this law shall be accomplished by any of the following methods, provided that the objectives of the companies wishing to merge are identical or complementary.

a) Through the merger of one company or more with other
Company Law

Companies called the (merging company), and the company or companies merged therein shall no longer exist and the corporate body of each of them shall no longer exist.

b) Through the merger of two companies or more to form a new company which will be the result of that merger, and the companies that have merged in the new company and the corporate entity of each of them shall no longer exist.

c) Through the merger of the branches and agencies of foreign companies operating in the Kingdom, with an existing or new Jordanian Public Shareholding Company formed for this purpose and the said branches and agencies shall disappear and the corporate entity of each of them shall no longer exist.

Article (223)
Should two companies or more of the same kind merge with an existing company or form a new company then the merging company or the company resulting from that merger shall also be of that kind. However, a Limited Liability Company or a Limited Partnership in Shares may merge with an existing Public Shareholding Company or form a new Public Shareholding Company.

Article (224)
The merges company, along with its shareholders, and the merging company resulting from the merger shall be exempted from all taxes and fees due on the merger or as a result thereof.

Article (225)
The application for merger shall be submitted to the Controller together with the following statements and documents:

a) The resolution of the extraordinary General Assembly of each company wishing to merge or the resolution of all partners, as the case may be, approving the merger pursuant to the terms and statements specified in the merger agreement including the date set for final merger.

b) The merger agreement concluded between the companies wishing to merge duly signed by the authorized signatories on behalf of their companies.

c) An statement audited by the company’s auditors of the financial position of each company wishing to merge to the nearest date to the resolution of the General Assembly of each company or to the resolution of partners approving the merger.

d) The two most recent financial statements of the companies wishing to merge audited by the auditors.

e) A preliminary valuation of the assets and liabilities of the companies wishing to merge at the actual or market value.

f) Any other statements deemed necessary by the Controller.

Article (226)
The Market and the Controller should be notified of the resolution of the Board of Directors of each company wishing to merge and the trading of the shares of each company shall be suspended in the Market as of the date of notification of the resolution. Trading in the shares shall be resumed after the completion of the merger procedures and registration of the merging company or the company resulting from the merger.

Article (227)
The Controller shall study the application for merger and submit his recommendations to the Minister, if the merger pertains to a Public Shareholding Company or a Public Shareholding Company will result from the merger, within
Company Law

Article (228)

Should the Minister approve the application for merger, he should form an (Evaluation Committee) whose membership should include the Controller or his representative, the auditors of the companies wishing to merge, a representative of each company and suitable number of specialized and experienced persons. The committee shall undertake to evaluate all the assets of the companies wishing to merge along with their liabilities, in order to point out the net equity of the shareholders or partners, as the case may be, at the date fixed for the merger. The committee shall submit its report to the Minister along with the opening balance sheet for the company resulting from the merger, within a period not exceeding ninety days from the date of referring the matter thereto. The Minister may extend this period for another similar period should circumstances necessitate that. The wages and remuneration of the committee shall be determined by a resolution adopted by the Minister and they shall be equally borne by the companies wishing to merge.

Article (229)

The companies which have decided to merge must prepare separate accounts of their operations under the supervision of their auditors as of the date of the merger solution and until the final approval thereof. The results of the operations of these companies during the said period shall be presented to the consolidated extraordinary General Assembly or the consolidated meeting of partners, as the case may be, accompanied with the auditors’ report of these companies for approval.

Article (230)

The Minister shall form an executive committee from the chairmen and members of the Boards of Directors of the companies wishing to merge or from the managers of those companies as the case may be, and the auditors of the companies, in order to carry out the executive procedures for the merger and in particular the following:

a) Determining the shares of the shareholders or the shares of the partners in the merged companies based on the evaluation made by the (Evaluation Committee) stipulated for in Article (228) of this Law.

b) Amending the Articles and Memorandum of Association of the merging company if same is an existing company or preparing the Memorandum and Articles of Association for the new company emerging from the merger.

c) Inviting the extraordinary General Assembly of the shareholders in the merging companies in order to approve the following, provided that resolutions are taken with a majority of 75% of the shares represented for each company separately:

1. The Articles and Memorandum of Association of the new company or the amended Memorandum and Articles of Association of the merging company.

2. The results of the evaluation of the assets and liabilities of the companies and the opening balance sheet for the new company resulting from the merger.

3. The final approval on the merger.

d) The executive committee referred to herein shall furnish the Controller with the minutes of the meeting of the consolidated General Assembly within seven days from the date of the meeting.

Article (231)

a) The procedures for approval, registration and publication
as determined in accordance with this Law should be followed for the registration of the merging company or the company resulting from the merger and the cancellation of the registration of the merged companies.

b) The Controller shall announce in the Official Gazette and in two local daily newspapers for two consecutive times, at the expense of the company, a summary of the merger agreement and the results of the evaluation along with the opening balance sheet of the merging company or of the company resulting from the merger.

Article (232)
The Boards of Directors of the companies which decide to merge shall continue to function until the completion of the registration of the merging company or the company resulting from the merger and then the executive company referred to in Article (230) shall take over the management of the company for a period not exceeding thirty days, during which it shall invite the General Assembly of the merging company or of the company resulting from the merger in order to elect a new Board of Directors. This should be done after allotting the shares resulting from the merger. The General Assembly shall also elect the company's auditors.

Article (233)
The Minister shall issue instructions relating to the merger procedures and settle the objections submitted thereon.

Article (234)
a) The corporate bond holders and the creditors of the merging companies or the merged companies and any concerned shareholder or partner may object to the Minister within thirty days of the date of the last announcement published in the local newspapers in accordance with the provisions of Article (231) provided that he states the subject of his objection, the reasons on which he based his objection and the specific damages which he claims the merger has inflicted on him. b) The Minister shall refer the objections to the Controller to settle them. If the Controller fails to do so for any reason within the period of thirty days from the date of submitting the objections thereto, the objecting person shall have the right to contest the merger before the Court. These objections or the lawsuit that may be made at the Court shall not suspend the resolution to merge.

Article (235)
If the merger did not observe any of the provisions of this Law, or should the merger prove to be in contravention of public order, then any concerned party may appeal to the Court contesting the merger and demanding annulment thereof, provided that this takes place within sixty days from the date of announcing the final merger and provided that the plaintiff should indicate the reasons on which he based his litigation and especially the following:

a) Should it be found that there are deficiencies which abrogate the merger agreement or should there be an essential and clear discrepancy in the evaluation of the shareholder’s equity.

b) Should the merger involve an arbitrary act in using the rights or should its aim be achieving a direct personal interest to any of the Boards of Directors of the merging Companies, or to the majority of shareholders in one of the Companies at the expense of the rights of the minority.

c) Should the merger be set up by deceit or fraud, or should the merger be an harm inflicted on the creditors.

d) Should the merger lead to a monopoly or is preceded by a monopoly and it becomes evident that the merger inflicts
Company Law

Article (236)
Contesting the legality of the merger shall not suspend the continuation thereof until the issuance of a Court order considering the merger as invalid. The Court may, when considering the claim of invalidity of the merger, determine, as its sole discretion, a certain period for correcting the causes which have led to the contest of invalidity, and it may dismiss the claim for invalidity should the concerned party adjust the positions prior to giving the Court judgement.

Article (237)
The chairman, the members of the Board of Directors, the general manager and the auditors of each of the merged or merging companies, shall be considered personally responsible towards third parties for any claims, commitments or liabilities that may be raised against the company and that were not recorded or were not declared prior to the final merger. The Court may acquit those persons from this responsibility should it become certain that such persons were not responsible for those commitments and liabilities or they were not aware of them.

Article (238)
All the rights and obligations of merged companies shall by operation of law be transferred to the merging company or to the company resulting from the merger, after the completion of merging procedures and registering the company pursuant to the provisions of this Law. The merging company or the one resulting from the merger shall be considered a legal successor to the merged companies and shall legally replace them in all their rights and obligations.

Article (239)
Should liabilities or claims appear after the final merger on one of the merged companies, and should they have been hidden by some authorized persons or employees in the company, then these liabilities or claims shall be paid to the creditors by the merging company or by the company resulting from the merger who shall both have the right to claim what they have paid from those authorized persons or employees who shall also be subject to the penalties for that act by the laws in force.

PART TWELVE
FOREIGN COMPANIES
CHAPTER ONE
FOREIGN COMPANIES OPERATING IN THE KINGDOM

Article (240)
For the purpose of this Law, an Operating Foreign Company means a Company or a body which is registered outside the Kingdom, and its head office is in another country, and its nationality is considered non-Jordanian.

In terms of its nature it shall be divided into two types:
a) Companies operating for limited period, which are awarded tenders for executing their works in the Kingdom for a limited period. The registration thereof shall cease upon the completion of such works unless the said Company obtains new contract in which case, the registration of same shall extend to cover execution of such works. Such registration shall be cancelled after completion of all their works in the Kingdom and their rights and obligations are settled.
b) Companies operating permanently in the Kingdom under licence by the competent official authorities.
c) A Foreign Company or body may not exercise any commercial business in the Kingdom unless it is registered in accordance
Company Law

with the provisions of this Law after obtaining a permit to operate pursuant to the applicable Laws and regulations.

Article (241)
a) The application for the registration of the Foreign Company or body shall be submitted to the Controller accompanied by the following data and documents, translated into Arabic. Provided that the Arabic translation be certified by a Notary Public in the Kingdom.

1- A copy of the Memorandum and Articles of Association of the Company or body or any other documents relating to its formation procedures.

2- The written official documents which certify that such Company has obtained the approval of the concerned authority in the Kingdom for the carrying out the work and investing the foreign capital therein in accordance with the legislations in force.

3- A list of the names of the members of the Board of Directors of the Company, or the management committee, or shareholders as the case may be, along with the nationality of each one of them in addition to the names of the persons who are authorized to sign on behalf of the Company.

4- A copy of the power of attorney according to which the Foreign Company authorizes a person resident in the Kingdom to carry out its activities and receive notifications on its behalf.

5- The financial statements for the last fiscal year of the Company at its head office certified by a licensed auditor.

6- Any other data or information that the Controller deems necessary to be submitted.

b) The application for registration must be signed by the person authorized to register the Company before the Controller or the person authorized by him in writing or the Notary Public. The application must incorporate fundamental information about the Company, especially the following:

1- The name of the Company, its type and capital.

2- The objectives of the Company in the Kingdom.

3- Detailed information about the promoters, shareholders or the Board of Directors and the share of each one of them.

4- Any other data or information the Controller deems necessary to be submitted.

Article (242)
a) The Controller may approve or reject the registration of the Foreign Company or body. In the event of approval of registration, the legal procedures for the registration of the Company or body in the foreign companies register shall be completed, and shall be published in the Official Gazette upon collecting the legal fees.

b) The procedures stipulated in paragraph (a) of this Article shall be applicable to any change that may occur to the Company’s statements which were submitted during the registration procedures. The Company should submit the changes to the concerned authority within thirty days.

Article (243)
a) The Foreign Company of body registered pursuant to the provisions of this Law shall undertake the following:

1- To submit to the Controller within three months from the end of each fiscal year its balance sheet and the profit and loss account of its operations in the Kingdom duly certified by a Jordanian licensed auditor.

2- To publish the balance sheet and the profit and loss account regarding its operations in the Kingdom in at
Article (244)  
a) The Foreign Company or body shall notify the Controller in writing of the date it expects its operations to end in the Kingdom or the date specified for the termination thereof, at least thirty days prior to such date. The Foreign Company shall prove to the Controller that it has already settled all its obligations resulting from its operations in the Kingdom prior to obtaining the approval for canceling its registration.  
b) The general provisions for liquidation stipulated in this Law shall apply to branches of Foreign Companies operating in the Kingdom, whose management office is located abroad.

Chapter Two
Non-Operating Foreign Companies in the Kingdom
Companies with Regional Offices & Representative Offices

Article (245)  
a) For the purposes of this Law, a Non-Operating Foreign Company in the Kingdom is a Company which has a Regional Office or Representative Office in the Kingdom for operations that it conducts outside the Kingdom for the purpose of using such a Regional or Representative Office for managing its operations and coordinating them with its headquarters.

b) A Non-Operating Foreign Company is prohibited from carrying out any business or commercial activity inside the Kingdom, including the operations of commercial agents and middlemen. Otherwise, the Company shall be subject to canceling its registration, and will be responsible for compensation of any loss or damage it may have caused to others.

c) The registration of a Non-Operating Foreign Company in the Kingdom may be made pursuant to the provisions of this Law for the purpose of establishing Regional Offices, Representative Offices, providing services, technical or scientific offices, and the city of Amman shall be its venue for litigation.

Article (246)  
a) The application for the registration of a Non-Operating Foreign Company shall be submitted to the Controller together with the following documents and statements translated into Arabic language, and duly certified by a Notary public in the Kingdom.

1. The registration certificate of the Company in its head office.

2. The Company's Memorandum and Articles of Association which indicate its type, capital and objectives.

3. The power of attorney by which a resident person in the Kingdom is authorized to follow up the Company's activities and register it in accordance with this Law.

4. Financial statement for the Company's last two fiscal years in its head office which should be certified by a licensed auditor.

b) The registration application shall be signed before the Controller of Companies or any other person authorized by him in writing, or before the Notary Public, provided that the
Company Law

Application incorporates fundamental information about the Company and especially the following:

1. Name of the Foreign Company, its head office, the date of its registration and its objectives.
2. Type of the Company, its nationality and its address in the country of its registration.
3. The capital of the Company, names of the promoters or shareholders nationality of each of them and their shares along with information about its Board of Directors.
4. Any other information the Controller deems necessary to be submitted.

Article (247)

a) The Controller may approve or reject the registration of the Non-Operation Foreign Company. In the event of approval of the registration, the Controller shall arrange to finalize the registration of the Company or the body the register of Non-Operating Foreign Companies, and to announce this registration in the Official Gazette.

b) The procedures of approval, registration and publication shall be followed in the case of any changes that occur to the basic information relating to the Company, and about its representative in the Kingdom. The said changes must be noticed to the Controller within thirty days from the date of their occurrence.

Article (248)

A Non-Operating Foreign Company enjoys the following:

a) Exemption from registration and publication fees applicable to Operating Foreign Companies.

b) Exemption of profits generated by the Foreign Company from businesses conducted outside the Kingdom from both income and social services taxes.

c) Exemption from registration with the Chambers of Commerce and Industry, professional associations, exemption from paying the registration fees therewith and from any obligations towards same, including trade and vocational license.

d) Exemption of salaries and wages payable by the Non-Operating Foreign Company to its non-Jordanian employees who are working at its Regional Office in the Kingdom from income and social service taxes.

e) Granting of permission to import into the country trade samples and models, free from customs and import taxes.

f) Exemption of imported furniture and equipment necessary to furnish its Regional Office from customs and other fees and charges.

g) Granting the Company permission to import one car every five years under the status of temporary entry to be used by its non-Jordanian employees.

h) Upon the Controller's recommendation, in justified cases, the Minister may grant the Company a permit to comport a second car under the status of temporary entry.

i) Conditions under which exemptions mentioned herein are granted shall be specified in a special regulation.

Article (249)

The number of the Jordanian employees in a Non-Operating Foreign Company in the Kingdom should not be less than half of the overall number of the Company's employees.

Article (250)

A Non-Operating Foreign Company shall be permitted to open with licensed commercial Banks a non-resident account in Jordanian Dinars or in a foreign currency, provided that these funds have been transferred to the Company from abroad through
Article (251)
The Minister may, upon the recommendation of the Controller, cancel the registration of a Non-Operating Foreign Company in the Kingdom, should it become evident to the Controller that the Company conducts any commercial business in the Kingdom, or violates the provisions of this Law, any regulations or instructions issued pursuant thereto.

PART THIRTEEN
LIQUIDATION & DISSOLUTION OF A PUBLIC SHAREHOLDING COMPANY
CHAPTER ONE
GENERAL RULES FOR LIQUIDATION

Article (252)
A Public Shareholding Company shall be liquidated either voluntarily, by virtue of a resolution adopted by its extraordinary General Assembly, or mandatory by virtue of a conclusive and final Court order. The Company shall not be dissolved until finalizing the procedures of its liquidation in accordance with the provisions of this Law.

Article (253)
Should a resolution be adopted for liquidating a Public Shareholding Company and appointing a liquidator, the liquidator shall supervise the ordinary operations of the Company and safeguard its funds and assets.

Article (254)
a) The Company under liquidation shall suspend its operations as of the date of the resolution of the General Assembly, in the case of voluntary liquidation, or as of the date of the Court order in the case of mandatory liquidation. The corporate body of the Company shall continue to exist and shall be represented by the liquidator, until it is dissolved after finalizing its liquidation.
b) The authority which decides to liquidate the Company shall provide the Controller and the Market with a copy of its resolution within three days from its adoption, and the Controller shall publish same in the Official Gazette and in at least two local daily newspapers within a period not exceeding seven days from the date of his notification of the resolution.
c) The liquidator should add (Under Liquidation) to the name of the Company on all its stationery and correspondence.

Article (255)
a) The following acts shall be considered null and void:

1. Any disposal of the properties and rights of a Public Shareholding Company which is under liquidation, and any trading of its shares and transfer of their ownership.
2. Any change or modification of the obligations of the chairman and Board of Directors of the Company under liquidation, or of the obligations of others towards the Company.
3. Any attachment of the properties and assets of the Company, and any other disposal or execution effected on those properties and assets after the issuance of the resolution for liquidating the Company.
4. All mortgage contracts or insurance policies for the properties and assets of the Company, for contracts and other procedures that give rise to obligations or preference on the properties and assets of the Company, should these be affected during the three months preceding the adoption of the resolution for liquidating the Company, unless it is proved that the Company is capable of settling all its debts after
nullification shall not be applicable except to the amount which exceeds the amounts paid to the Company, per those contracts, when it was formed or thereafter in addition to the lawful interest thereon.

5- Any transfer of the property and assets of the Company under liquidation or any assignment thereof, or disposing of them in a fraudulent way to give preference to some creditors of the Company over others.

b) A judgment creditor of the Company loses his right to the properties and assets of the Company which he has attached and in any other actions concerned therewith, unless the attachment or the action were executed prior to the commencement of liquidating the Company.

c) Should the Execution Officer be notified of the resolution for the liquidation of the Public Shareholding Company prior to the sale of its attached properties or assets, or prior to finalizing the transaction of execution thereon, the Execution Officer shall be obliged to hand over those properties and assets to the liquidator including. The execution fees and expenses shall be considered a preference debt on those properties and assets.

d) The Court shall permit the liquidator to sell the assets of a Public Shareholding Company which are under liquidation, whether the liquidation is voluntary or mandatory, if the Court is satisfied that the interest of the Company necessitates that.

Article (256)
The liquidator shall settle the Company's debts in accordance with the following order, after deducting liquidation expenses, including the remuneration of the liquidator, and any violation of this order shall be considered null and void:

a) Amounts due to the employees of the Company.
b) Amounts due to the Public Treasury and to the municipalities.
c) Rents due to the owner of any real estate leased to the Company.
d) Other amounts due in accordance with the order of priority in accordance with the Laws in force.

Article (257)
a) Should any promoter of a Public Shareholding Company, or chairman or a member of its Board of Directors, or any manager or employee thereof, abuse the use of the properties of a Company under liquidation, or retain that property or becomes committed for its repayment or be responsible for it, then he shall be obliged to return it to the Company along with legal interest, and shall also be liable to compensate for any damage he caused to the Company or third parties, in addition to bearing the criminal liability imposed on him pursuant to the legislations in force.

b) Should it appear during the liquidation that some of the Company’s operations were carried out in a fraudulent manner towards the creditors of the Company, then the present and former chairman and members of the Board of Directors of the Company who took part in those operations shall be considered personally liable for the Company’s debts and liabilities or for any of them as the case may be.

c) The provisions of Part Two of the Commercial Code relating to bankruptcy shall apply to Companies, individuals, members of the Board of Directors or the like who are mentioned in this Law.

Article (258)
a) Should the liquidation not be finalized during one
year of the commencement date of the liquidation procedures, the liquidator shall send to the Controller a statement illustrating the liquidation details the stage reached. Under all circumstances, the liquidation period shall not exceed three years except in exceptional cases that shall be considered by the Controller in the case of voluntary liquidation and by the Court in case of mandatory liquidation.

b) Every creditor and debtor of the Company shall have access the statement stipulated in paragraph (a) of this Article, and if it appears from the statement that the liquidator is still holding any amount of the Company’s funds that has not been claimed by any one or has not been distributed after the lapse of six months from the date of receiving it, the liquidator shall immediately credit that amount to the Company’s account opened with the Bank named by the Controller.

CHAPTER TWO

VOLUNTARY LIQUIDATION

Article (259)
A Public Shareholding Company shall be voluntarily liquidated in any of the following circumstances:

a) Upon the expiry of the specified period of the Company unless the General Assembly adopts a resolution to extend the period.

b) Upon full achievement of the objectives for which the Company was established or due to the impossibility of achieving these objectives.

c) Upon resolution adopted by the General Assembly to dissolve or to liquidate the Company.

d) In other circumstances stipulated in the Memorandum of Association of the Company.

Article (261)
The liquidator shall settle the Public Shareholding Company’s rights and obligations and liquidate its assets in accordance with the following procedures:

a) The liquidator shall exercise the powers conferred upon him by the Law for carrying out the Company’s mandatory liquidation.

b) The liquidator shall organize a list of the names of the company’s debtors, and he shall submit a report on the transactions and procedures he carried out to claim the payment of the installments and debts due to the company by its debtors. This list shall be considered a prima facie evidence of the persons whose names appear in the list as debtors of the company.

c) The liquidator shall pay the Company’s debts and shall settle its rights and obligations.

d) Should more than one liquidator be appointed, their resolutions shall be adopted pursuant to what is stipulated in their appointment resolution, and should there be not stipulation regarding this matter in that resolution, their resolutions shall be adopted unanimously or by absolute majority, and the Court shall have the final decision in the event of any disagreements arising among them.

Article (262)

a) Every agreement concluded between the liquidator and creditors of a Public Shareholding Company shall be considered binding upon the Company, should the Company’s General Assembly approve that agreement. It shall also be binding, should it be accepted by a number of creditors whose total debts amount to three quarters of the debts due by the Company. The creditors whose debts are guaranteed by a
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mortgage or preference or a security, shall not be allowed to participate in voting for the said agreement. The said agreement concluded pursuant to this paragraph shall be published in two daily newspapers within a period not exceeding seven days from the date of conclusion.

b) Any creditor or debtor may contest the agreement stated in paragraph (a) of this article before the Court within fifteen days of the date of publication.

Article (263)
The liquidator and any debtor or creditor of a Public Shareholding Company, and any other interested person, may apply to the Court to adjudicate on any matter that arises in the course of carrying out the procedures of a voluntary liquidation, in the same manner by which matters arising in the course of carrying out a mandatory liquidation pursuant to the provisions of this Law are adjudicated.

Article (264)
a) The liquidator may, in the course of carrying out the process of voluntary liquidation, invite the General Assembly of the Company to a meeting to obtain is approval of any matter he deems necessary, including reversing the liquidation resolution.

b) The liquidator shall invite the creditors of a Public Shareholding Company, by an announcement to be published in at least two local daily newspapers, to a general meeting to be held within two months of the date of the adoption of the liquidation resolution. The liquidator shall, during the said meeting, present to the creditors a detailed statement on the financial status of the Company, together with a list of the Company's creditors and the amount of the claim of each one. The creditors shall have the right to appoint no more than three supervisors to assist the liquidator and monitor the progress of liquidation.

Article (265)
The Court, upon an application submitted thereto by the liquidator, the Attorney General, the Controller or any interested person, may decide to convert the voluntary liquidation of a Public Shareholding Company into a mandatory liquidation, or to continue the voluntary liquidation, provided that the liquidation is carried out under its supervision and pursuant to the terms and limitations determined thereby.

CHAPTER THREE
COMPULSORY LIQUIDATION

Article (266)
a) An application for mandatory liquidation shall be submitted to the Court per a statement of claim by the Attorney General, or by the Controller or any person authorized by him in any of the following two circumstances.

1- Should the Company commit serious violations of the Law or of its Articles of Association.

2- Should the Company fail to fulfill its commitments.

3- Should the Company suspend its operations for one year without a legal or justified cause.

4- Should the losses of the company exceed 75% of its capital, unless the General Assembly of the company adopts a resolution to increase the capital of the company.

b) The Minister shall, upon recommendation of the Controller if the Company has corrected its status during the liquidation procedures and before the liquidation commences is duties to ask the public Horny to stop such liquidation.

Article (267)
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a) The Court shall be deemed to have commenced the liquidation of the Company as of the date of submitting the statement of claims thereto, for the liquidation of the company. The Court may adjourn the hearing, may dismiss the claim or may order the liquidation, along with the payment of the costs and expenses by the person responsible for the cause of liquidation.

b) The Court may, upon considering the liquidation of the Company and prior to the issue of the liquidation order, appoint a liquidate, determent his powers and oblige him to submit a guarantee to the Court. The Court may also appoint one or more liquidators, and it may dismiss or replace them, and it shall notify these instructions to the Controller.

c) The Court may, at the request of the plaintiff for liquidation, retain any actions or proceedings that have been taken or filed against the Company before the Courts, and new actions or proceedings against the Company shall be proceeded with, after the filing of the claim for liquidation.

Article (268)

a) The Court may, upon the request of the liquidator, issue an order authorizing him to take possession of all the properties and assets of a Public Shareholding Company and deliver it to the liquidator. The Court may, after the issue of its order request any debtor, agent thereof, Bank, representative or employee, to pay, deliver, transfer to the liquidator immediately all such money, books, records and correspondence in his possession belonging to the Company.

b) The Court order issued against any debtor shall be deemed as a conclusive evidence that the amount for which the order has been issued for the payment thereof is due from the debtor. The said debtor shall reserve the right to file an appeal against such order.

Article (269)

a) The liquidator may carry out any one of the following actions and procedures in order to finalize the liquidation of a Public Shareholding Company.

1- Managing the Company's operations to the extent necessary for its liquidation.
2- Submitting any claim or commencing any legal proceedings in the name of the Company or on its behalf, in order to collect its receivables and preserve its rights.
3- Entering as a third party in all Court claims and proceedings relating to the Company's properties and interests.
4- Appointing any lawyer, expert or any other person to assist him in performing his duties in liquidating the Company.

b) Any creditor or debtor may object to the Court concerning the manner the liquidator is exercising his powers indicated in the preceding paragraph, and the judgment of the Court on such an application shall be conclusive.

Article (270)

a) The liquidator of a Public Shareholding Company undertakes to comply with the following matters:

1- To deposit the monies he has received on behalf of the Company in the Bank designated by the Court for his purpose.

2- To provide the Court and the Controller at the prescribed times with a statement of account duly audited by the liquidation auditor, showing his receipts and payments as liquidator. This account shall not be considered final except after being certified by the Court.

3- To keep accounting books and records properly organized
in accordance with generally accepted practices for liquidation procedures, any creditor or debtor may inspect such books and records upon obtaining the Court’s approval.

4- To summon the creditors or debtors to general meetings to ascertain their claims and listen to their suggestions.

5- To comply with the orders of the Court and the resolutions of the creditors and debtors while supervising the properties and assets of the Company and distributing them to its creditors.

b) Any person aggrieved by the acts, procedures or decisions of the liquidator may contest these by objecting to the Court, which may uphold, annul or aim such actions, procedures or decisions, and its judgment shall be final.

Article (271)
The order of the Court for liquidating a Public Shareholding Company or any order it issues during the process of liquidating may be appealed to the Court of Appeal, in accordance with the rules and conditions for appeal laid down in the Civil Procedures Law in force, provided that no violation be made to the provisions of his Law concerning the final orders of the Court.

Article (272)
After completing the liquidation process of a Public Shareholding Company, the Court shall issue an order to dissolve the Company, and the Company shall be deemed dissolved as of the date of such order. The liquidator shall report this order to the Controller who shall publish it in the Official Gazette, and in at least two local daily newspapers. Should the liquidator fail to execute this action within fourteen days of the date of the order, then he shall be liable to a fine of ten Jordanian Dinars for each day of delay.

PART FOURTEEN
SUPERVISION OF COMPANIES

Article (273)
All companies should strictly abide by the provisions of his Law and observe their Memorandum and Articles of Association, and shall implement the resolutions adopted by their General Assemblies. The Minister and the Controller may take any procedures which they deem appropriate to supervise the Companies in order to ensure that they comply with those provisions, contracts, regulations and resolutions. The supervision includes the following:

a) Examining the accounts and records of the Company.

b) Ensuring that the company abides by the objectives for which it was established.

Article (274)
Each shareholder and each partner in the companies which are registered per the provisions of this Law, shall have the right to examine the information and documents related to and concerned with these companies kept with the Controller. He shall also have the right to obtain a certified copy thereof and to obtain through the Court, a certified copy of any statement which has not been published against the fees stipulated in the regulations issued pursuant to this Law.

Article (275)
a) Shareholders holding not less than 15% of the capital of a Public Shareholding Company, a Limited Partnership in Shares, or of a Company with Limited Liability, or at least on fourth of the members of its Board of Directors may request from the Controller to inspect the Company’s operations and books. Should the Controller be convinced of the justifications of this request, he shall delegate one or more
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expert for this purpose at the expense of the Company. Should
the inspection uncover any violation that necessitates
investigation and verification, the Minister shall refer the
matter to a special investigation committee which he shall
form for this purpose. Such committee shall be presided by
the Controller, and a licensed auditor shall be a member
therein. The committee shall investigate the correctness of
the violation prior to referring same to the Court.
b) Those requesting inspection of Company's operations
should submit a Bank guarantee in favor of the Ministry in the
amount determined by the Controller to cover the inspection
expenses should it be evident in the result thereof that the
parties requesting inspection were not entitled to there
request. However, if they are entitled to such a request the
Company shall bear such expenses.

Article (276)
a) The Minister, upon the recommendation of the Controller,
assign the employees of the Companies Control Directorate at
the Ministry to audit the accounts and operations of the
Public Shareholding Company. Those employees are entitled in
this regard, to inspect the Company's registers, books and
documents and verify them at the Company's head office. They
are also entitled to direct any inquiries to the Company's
employees and the company's auditors. If the concerned
Company refrain from responding, such act as would be
considered as a violation of the provisions of this Law.
b) Banks and financial institutions are exempted from the
provisions paragraph (9) of this Article.

Article (277)
a) If any Public Shareholding Company, a Limited Partnership
in Shares, or a Limited Liability Company, fails to commence
its operations within one year of the date of its
registration, then the Minister may, upon the request of the
Controller, cancel the registration thereof, and he shall
announce this cancellation in the official gazette. The
responsibility of the promoters towards others remains in
existence as if the cancellations of the Company's
registration did not occur. This action shall not affect the
power of the Court to liquidate the Company whose name has
been cancelled from the register.
b) Any person may contest the cancellation decision within
three months from the date of publication of the notice in the
Official Gazette, and if the Court is satisfied that the
Company was carrying on its business at the time when its name
was cancelled from the register, or if justice demands that
its name be restored to the register, the Court shall order
the Company's name to be restored, and the said Company shall
be considered as if it was not cancelled, and its existence
remains in continuity. The Court shall send a copy of the
decision the Controller to enforce it and publish an extract
thereof in the Official Gazette.

PART FIFTEEN

PENALTIES

Article (278)
a) Any person who commits any of the following acts shall be
liable to be penalized by imprisonment from one to three
years, and by a fine not less than ten thousand Jordanian
Dinars:
1- Issuing shares, share warrants or certificates, or
delivering them to their owners, of offering them for
negotiation, prior to the approval of the Articles of
Association of the company and prior to the formation of the
company, or permitting the company to increase authorized

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before announcing that in the Official Gazette.

2- Making fictitious subscriptions for shares, or accepting subscriptions therefore in an illusory or unreal manner for non existent or unreal Companies.

3- Issuing corporate bonds and offering them for negotiation before maturity, in a manner which constitutes a violation of the provisions of this Law.

4- Preparing the balance sheet of any company and its profit and loss account in a manner which does not reflect the true financial position of the company, or incorporating in the report of the Board of Directors, of the company, or in the report of its auditors incorrect statements, and conveying to its General Assembly incorrect information and clarifications, which should be clearly declared by the force of Law, with the intention of concealing the real status of the company from the shareholders or other concerned parties.

5- Distribution of profits which are fictitious or incompatible with the real position of the company.

b) The penalties stipulated in paragraph (a) of this Article shall be applied to any person who is involved in the illegal deeds indicated therein, and is the instigator therefore. Article (279)

a) Should a Public Shareholding Company, a Limited Partnership in Shares or a Limited Liability Company commit any violation to the provisions of this Law, it shall be penalized by a fine not less than one thousand Jordanian Dinars and not more than ten thousand Jordanian Dinars, along with nullification of the violating act if the Court deems so.

b) Should it appear that any one of the Companies stated in paragraph (a) of this Article did not maintain proper books of account prior to its liquidation, then its manager and auditor shall be deemed guilty of a criminal offence and shall be penalized by imprisonment for a period not less than one month and not more than one year. Article (280)

AN auditor who violates the provisions of this Law by submitting reports or statements incompatible with the position of the company, shall be deemed to have committed a crime, and shall be penalized therefore by imprisonment for a period not less than six months and not more than three days, or by a fine of not less than one thousand Jordanian Dinars or by both penalties, and that shall not preclude subjecting him to the penalties provided for under the auditing profession laws in force. Article (281)

Every general partner in a General Partnership or in a Limited Partnership who defaults on executing the amendments made to the company’s Articles of Association, shall be penalized by a fine amounting to one Jordanian Dinar per day for each day the default continues to exist after the lapse of one month from the date of occurrence of such change. Article (282)

Any person who commits any violation of any provisions of this Law or to any regulation or to any order enacted pursuant thereto, for which no special fine has been assigned, shall be liable to pay a fine not less than one hundred Jordanian Dinars and not more than one thousand Jordanian Dinars.

FINAL PROVISIONS

Article (283)

a) All companies registered pursuant to Laws which were in force before enacting this Law shall be deemed to be existing,
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and as if registered pursuant to the provisions of this Law.

b) The companies existing on the date this Law becomes effective shall adjust their positions to render them compatible with the provisions of this Law, and they shall make the necessary amendments to their Memorandum and Articles of Association, during a maximum period of one year from the date this Law becomes effective, and without convening their General Assemblies to approve these amendments.

Article (284)
The Council of Ministers may issue such regulations as may be necessary to implement the provisions of this particularly in relation to the following:

a) Determination of the fees to be collected for implementing the provisions of this Law.
b) Organizing the forms relating to the Memorandum of Association and other documents stated in this Law.
c) The Minister may delegate part of his powers provided for in this Law to the Controller, who may delegate any of his powers to any of the employees of the Companies Control Directorate at the Ministry provided that the power shall be limited and in writing.

Article (285)
The Companies Law no. 12 for the year 1964, and the amendments that were introduced thereon are hereby repealed, and the provisions and stipulations of any other legislations which contravene the provisions of this Law are also hereby repealed.

Article (286)
The Prime Minister and the Ministers are responsible for the implementation of the provisions of this Law.

11/3/1997 Al Hassan Bin Talal