

We, Abdullah II, Bin Al-Hussein, King of the Hashemite Kingdom of Jordan, under Article (31) of the Constitution, and based on the decision of the Council of Ministers dated 17/9/2014, hereby order to enact the following law:-

Bylaw No. (97) of 2014

Social Security Investment Fund and Investment Board Bylaw enacted in accordance with Paragraph (C) of Article (8); Paragraph (D) of Article (14); Paragraph (A) of Article (106) and Social Security Law No. (1) of 2014

Article (1):

This law shall be cited "Social Security Investment Fund (SSIF) and Investment Board Bylaw for the year 2014", and shall enter into force 30 days of its publication in the official gazette

Article (2):

Definitions wherever mentioned in the Social Security Bylaw No. (1) of 2014 wherever mentioned in this law shall have the meanings hereafter assigned thereto, unless the context requires otherwise.

Article (3):

A- SSIF shall comply with Social Security Corporation (SSC) investment general policy and the general plan of investing its funds approved by SSC Board, including:

- 1- Maximizing the market value of assets.
- 2- Compliance with the target ratios of investment portfolios and the target range of investments approved by SSC Board upon the recommendations of the Investment Board.
- 3- Compliance with the evaluation form approved by the Investment Board to evaluate the investment projects.
- 4- Aligning the debt instruments maturity dates with the actuarial studies.
- 5- Minimize the risks by distributing SSC investments among the different investment instruments.
- 6- Compliance with the quantitative restrictions on the geographically and economically classified foreign investments approved by SSC Board.

B- SSC Board shall issue the instructions necessary to define the investment goals and investments standards, mechanisms and determinants.

Article (4):

SSIF shall practice its investment activity by:

- A- Selling and buying shares of companies, listed or unlisted in the stock exchange.
- B- Establishing or participating in projects in cooperation with third parties and subscribing in the economically feasible existing projects.

- C- buying and selling the Islamic bonds, instruments, notes, deeds, and other securities.
- D- Depositing cash with banks with suitable returns.
- E- Contributing in mutual investment funds.
- F- Lending long-term loans to finance economically feasible national projects.
- G- Buying, selling, and developing lands and buildings for the purposes of possession, participation or investment.
- H- Conducting economic feasibility studies for the projects in which SSIF intends to invest in. For this purpose, SSIF may seek the help of expert houses and specialists.
- I- Following up on the performance of the companies in which SSC invests and the performance of their representatives in such companies, and submitting quarterly reports to the Investment Board.
- J- Carrying out any other investment activities approved by the Investment Board.

Article (5):

- A- SSIF Chairman shall assume the following duties and authorities:
 - 1- Implement the Investment Board decisions, supervise the Investment Fund, and follow up its performance of duties.
 - 2- Follow up the plans and programs necessary to implement the investment general policy and the investment general plan approved by SSC Board.
 - 3- Prepare the annual budget of the Fund and present it to the Investment Council to present it to SSC Board for approval.
 - 4- Prepare the annual report on SSIF works, financial statements related to SSIF investment activity and its final financial accounts, and present the same to the Investment Board to present them to the SSC Board for approval.
 - 5- Prepare reports on SSIF work related to its financial situation and present them to the Investment Board to present the same to SSC Board.
 - 6- Supervise SSIF staff, personnel and all departments.
 - 7- Prepare the quarterly reports set forth in paragraph (J) of article (11) of the Law as regards SSIF work, present them to the Investment Board to recommend the same to SSC Board to refer them to the Council of Ministers, Senates House, and House of Representatives.
 - 8- Sign the agreements and contracts approved by the Investment Board.
 - 9- Assume the authorities endowed thereto under the implementing regulations and instructions promulgated under the provisions of this law.
 - 10- Any other authorities delegated by the SSC Board or the Investment Board provided such authorization is specific and in writing.
- B- SSIF Chairman shall have the right to delegate any of his authorities prescribed under the provisions of this law and the implementing

instructions promulgated thereunder to any of SSIF employee provided such authorization is specific and in writing.

Article (6):

If the position of the SSIF Chairman becomes vacant for any reason, SSC Director General shall assume his duties and authorities stipulated in the implementing regulations and instructions promulgated thereunder till a chairman is appointed to SSIF.

Article (7):

SSIF financial resources consist of the following:

- A- Surplus amounts from the revenues realized by SSC and transferred monthly to SSIF for investment purposes.
- B- Investments returns.
- C- Gifts, subsidies, donations, wills, loans and any other revenues acceptable to SSC Board provided that the Council of Ministers approves the same if they are of non-Jordanian origin.

Article (8):

- A- The Investment Board shall hold its ordinary meetings upon invitation of the Chairman or Vice Chairman in case the Chairman is absent at least once a month. The Investment Board may hold extraordinary meetings if the Chairman deems it necessary, or upon the request of at least three members indicating the reasons to hold the meeting and the issues to be discussed.
- B- The quorum for the Investment Board meeting shall be valid if attended by at least five members, including Chairman or the Vice Chairman in case the Chairman is absent. The Investment Board shall take its decisions by at least five members. In case of equality of votes, the Chairman of the meeting shall have a casting vote.
- C- The Investment Board member who votes against the Investment Council decisions or abstains from voting shall record his rejection or reservation and shall indicate the reasons of his rejection or reservation. This shall be recorded in the minutes of the meeting.
- D- The Investment Board may invite one or more specialized experts to attend the meeting to seek their opinion.

Article (9):

- A- SSC Board may, upon the recommendation of the Investment Board, agree on investment outside the Kingdom after the approval of the Council of Ministers thereon.
- B- SSC Board shall define, upon the recommendation of the Investment Board, and in coordination with the Central Bank of Jordan, the controls and criteria of investment outside the Kingdom.

Article (10):

- A- Each Investment Board member shall disclose any direct or indirect personal benefit in the field of the Investment Fund business and activity, and shall provide, before the commencement of his work, a written declaration thereof.
- B- If any of the Investment Board members has direct or indirect personal benefit, before appointment as Investment Council member in relation to the Investment Fund business and activities, he shall declare this benefit in the first meeting of the Investment Board to define such benefit and provide an undertaking not to exploit his membership to achieve any new gain.
- C- The Investment Board member shall not participate in decision-making in any of the cases presented to the Investment Board in which he has direct or indirect benefit.

Article (11):

- A- The Investment Board shall form a committee from among its members called (The Audit Committee) consisting of three members provided that the Investment Board Chairman, SSIF Chairman, or SSC Director General shall not be of the Committee members.
- B- The Audit Committee shall select a Chairman from among its members and shall convene upon invitation of the Chairman at least once per month, and as necessary.
- C- The Audit Committee shall assume the following duties and responsibilities:
 - 1- Monitor the SSIF works related to the financial and investment affairs, audit SSIF financial reports including the financial statements before their presentation to the Investment Council.
 - 2- Review the internal auditing reports in the Investment Fund and the external auditor reports, follow up on the actions taken thereon, and raise its recommendations to the Investment Board.
 - 3- Raise recommendations to the Investment Board to approve the annual internal auditing plan.
 - 4- Check the accuracy of accounting and supervisory procedures, their soundness, and compliance therewith.
 - 5- Ensure the Investment Fund compliance with the laws, regulations and instructions governing its work.
 - 6- Practice the other authorities vested in it under the implementing instructions issued in accordance with the provisions of this law.
 - 7- Any other duties assigned by the Investment Board.
- D. The Audit Committee shall submit its minutes of meeting and recommendations to the Investment Board and the Control Committee to take appropriate decisions.

Article (12):

- A- The Investment Board shall form a committee from among its members called (The Investment Governance Committee) consisting of three

members provided that the Investment Board Chairman or SSIF Chairman shall not be of the Committee members

B- The Investment Governance Committee shall select a Chairman from among its members and shall convene upon invitation of the Chairman at least once every two months, and as necessary.

C- The Investment Governance Committee shall assume the following duties and responsibilities:

- 1- Recommend the investment governance policy to SSC Good Governance Committee formed under the provisions of Article (17) of the Law, and draft the principles and recommendations necessary for the implementation of this policy.
- 2- Monitor the implementation of the code of conduct and present reports of violations.
- 3- Ensure the existence of internal and external controls and risk management systems, and their effectiveness and independency.
- 4- Ensure compliance with the good governance standards in SSIF as approved by the SSC Board.
- 5- Ensure the availability of clear and effective governance structure for the tools and responsibilities in the investment decision-making in terms of approvals, supervision of the implementation, investment management, and monitor of performance.
- 6- Ensure the availability of investment decision-making system outlining the limits and responsibilities of the parties concerned with the decision and compliance with such system.
- 7- Recommend to the Investment Board the criteria of organizing SSC representation processes in the Board of Directors of the companies in which SSC invests in, including the evaluation of the persons suggested to represent SSC.
- 8- Ensure the sound application of the standards defining the processes of representing SSC in the Boards of Directors of the companies.
- 9- Ensure the existence of the independent safekeeping of the investment assets.
- 10- Ensure the compliance of the Investment Board members, Investment Fund staff, and the representatives of SSC in the Boards of Directors in the companies in which SSC invests in based on the approved conflict of interests policies and compliance with declaration of any form(s) of conflict whether financial, commercial, functional or professional.
- 11- Ensure compliance with the standards of personal dealing or trading of SSIF staff.
- 12- Ensure compliance with the investment performance measurement and evaluation policy.
- 13- Ensure the existence of specified standards of competences and capabilities of SSIF staff.
- 14- Ensure the effectiveness of the investment reports systems and contents.

- 15- Practice the other authorities vested in it under the implementing instructions issued in accordance with the provisions of this law.
 - 16- Any other duties assigned by the Investment Board.
- D- The Investment Governance Committee shall submit its meeting minutes and recommendations to the Investment Board and SSC Good Governance Committee formed under the provisions of Article (17) of this Law to take appropriate decisions.

Article (13):

- A. The Investment Board shall form a committee from among its members called (The Investment Risks Committee) consisting of three members provided that the Investment Council Chairman or SSIF Chairman shall not be of the Committee members
- B. The Investment Risks Committee shall select a chairman from among its members and shall meet upon invitation of the Chairman at least once every two months, and as necessary, and as necessary.
- C. The Investment Risks Committee shall assume the following duties and responsibilities:
 - 1- Ensure the soundness of methodologies followed in risks measurement, analysis and management in accordance with the international risk management standards.
 - 2- Ensure the existence of sound periodic reports to measure and analysis investment risks related to investment portfolio and ensure the optimum application of risk management.
 - 3- Monitor deviations from the risk management policy and recommend necessary decisions thereon.
 - 4- Study and review the Risk Management Department reports and submit necessary recommendations thereon.
 - 5- Practice any other authority vested in it under the provisions of this law, and the instructions issued thereunder.
 - 6- Any other duties assigned by the Investment Board.
- D- The Investment Risk Committee shall submit its meeting minutes and recommendations to the Investment Board to take appropriate decisions.

Article (14):

The Investment Board Chairman shall assume the following duties and responsibilities:

- A- Chair and manage the Investment Board meetings.
- B- Follow up the implementation of the Investment Council decisions in coordination with the Investment Fund chairman.

- C- Any other duties assigned by the Investment Board except the duties and responsibilities of the Investment Fund chairman provided for in Article (5) of this law.

Article (15):

- A- The SSIF Chairman shall nominate, from among SSIF employees, one secretary or more to the Investment Board, one secretary for each committee of the committees to be formed by this Law. Each secretary shall make necessary arrangements for the meetings, take the minutes of the meetings, keep the documents and entries of the Investment Board and the Committee, and follow up the implementation of the decisions issued therefrom.
- B- SSC Board shall define, upon the recommendation of the Investment Council, the remunerations of the Chairman and members of the committees formed under the provisions of this Law.
- C- The Investment Board shall define, upon the recommendation of the SSIF Chairman the remunerations of the secretaries of the Investment Board and the committees formed under the provisions of this Law.

Article (16)

The Investment Bylaw No. (111) for the year 2001 shall be cancelled. The instructions issued thereunder shall remain valid, provided to be amended, canceled, or replaced in accordance with the provisions of this Law within a maximum period of six months from the date that provisions come into force.