

Resolution No. (94) of 2022 Regarding the Competences of the Nomination and Remunerations Committee to Prepare a Report on the Remunerations Granted to Members of the Board of Directors, the Executive Body and the Managers

Having Perused:

- Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws, and their amendments; and
- CMA Board of Commissioners Resolution passed in its meeting No. (19) of 2022 held on 18/05/2022.

The Following Was Resolved

Article (1)

Module Fifteen (Corporate Governance) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex (1) attached to this Resolution.

Article (2)

The concerned bodies shall execute this Resolution, each within its jurisdiction. This Resolution shall come into force from the date of its issuance, and it shall be published in the Official Gazette.

Prof. Ahmad Almelhem

Issued on: 22/05/2022

Annex No. (1)

#	Module	Article	Amendment Type	Text before Amendment	Text After Amendment
1	Fifteen	1-1	Amending Article	The provisions of this Module are -originally- based on Comply or Explain principle. Companies must disclose the extent of their compliance with rules. In case any company is not abiding by any of the rules, the company must specify the non-complied rule and principle, and include the same in detail in the governance report, along with the reasons for non-compliance. All this shall be done without prejudicing the obligatory provisions and stipulations stated in the <u>Law</u> and these <u>Bylaws</u> or any other law or condition or rules, instructions or resolutions.	The provisions of this Module are -originally- based on Comply or Explain principle. Companies must disclose the extent of their compliance with rules. In case any company is not abiding by any of the rules, the company must specify the non-complied rule <u>and article</u> , and include the same in detail in the governance report, along with the reasons for non-compliance. All this shall be done without prejudicing the obligatory provisions and stipulations stated in the <u>Law</u> and these <u>Bylaws</u> or any other law or condition or rules, instructions or resolutions.
2	Fifteen	2-3	Amending Article	A company Board must include independent members who shall be assigned advisory tasks in regards to various activities of the company. This shall help the board take valid resolutions which contribute to the fulfilment of company interests. Board must include one independent member at least, and not exceeding half the number of Members of a Board of Directors at most.	A company Board must include independent members who shall be assigned advisory tasks in regards to various activities of the company. This shall help the board take valid resolutions which contribute to the fulfilment of company interests. The <u>Board of Directors must include at least 20% of the Board members from independent members</u> , and not exceeding half the number of <u>Members of a Board of Directors</u>

					at most.
3	Fifteen	4-3	Amending Article	<p>Roles and responsibilities of nomination and remunerations committee shall include:</p> <p>.....</p> <p>5. Preparing an annual governance report that includes the total remunerations given to Members of a Board of Directors, and the executive body and the managers; whether cash or benefits or privileges, of whatever nature and title, directly or indirectly through the company or Subsidiary Companies, in accordance with the structure mentioned in Rule III of Appendix (2) of this Module.</p>	<p>Roles and responsibilities of nomination and remunerations committee shall include:</p> <p>.....</p> <p>5. Preparing a report of the total remunerations granted to <u>Members of the Board of Directors</u>, the executive body and the managers; whether cash or benefits or privileges, of whatever nature and title, directly or indirectly through the company or <u>Subsidiary Companies</u>, in accordance with Rule III (Recruit Highly Qualified Candidates for the Board membership and the Executive Management) of Appendix (2) of this Module.</p>
4	Fifteen	13-1		<p>The Authority, Supervision Sector, Corporate Financing and Governance Department, shall annually be provided with an evidence of meeting requirements set forth in the rules of corporate governance issued by the Authority, provided that the first report shall be submitted within a period not more than ten Business Days as of the date enforcing such rules on 30 June 2016.</p>	<p>The <u>Authority</u>, Supervision Sector, Corporate Financing and Governance Department, shall annually be provided with an evidence of meeting requirements set forth in the rules of corporate governance issued by the <u>Authority</u>, provided that the first report shall be submitted within a period not more than ten <u>Business Days</u> as of the date enforcing such rules on 30 June 2016.</p>
5	Fifteen	13-3		<p>Most of these rules are primarily based on the</p>	<p>Most of these rules are primarily based on the</p>

				<p>principle of (Comply or Explain). Companies shall disclose the extent of their compliance with these rules. If any company does not comply with any of these rules, it shall identify the rule and principle, which is not complied with; include it in details in the corporate report; and state reasons of noncompliance</p>	<p>principle of (Comply or Explain). Companies shall disclose the extent of their compliance with these rules. If any company does not comply with any of these rules, it shall identify the rule and article, which is not complied with; include it in details in the corporate report; and state reasons of noncompliance</p>
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