

Resolution No. (43) of 2021
Regarding
Amending Some Provisions of Module Ten (Disclosure and Transparency)
and Module Fifteen (Corporate Governance) of the Executive Bylaws of Law
No. (7) of 2010

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
- Resolution No. (118) of 2019 Regarding Amending Some Provisions 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; and
- CMA Board of Commissioners passed in its meeting No. (11) of 2021 held on 30/03/2021.

The Following Was Resolved

Article (1)

Module Ten (Disclosure and Transparency) of the Executive Bylaws of Law No. (7) of 2010 is hereby amended pursuant to Annex (1) attached to this Resolution.

Article (2)

Module Fifteen (Corporate Governance) of the Executive Bylaws of Law No. (7) of 2010 is hereby amended pursuant to Annex (1) attached to this Resolution.

Article (3)

Appendix 2 (Structure of Corporate Governance Report Form) of Module Fifteen of the Executive Bylaws of Law No. (7) of 2010 is hereby amended pursuant to Annex (2) attached to this Resolution.

Article (4)

Appendix 3 (Structure of Remuneration Report) of Module Fifteen of the Executive Bylaws of Law No. (7) of 2010 is hereby deleted pursuant to Annex (1) attached to this Resolution.

Article (5)

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 A. Al-Melhem

Issued on: 01/04/2021

Annex (1)

#	Module	Chapter	Article	Text before Amendment	Text after Amendment
1	Ten	Three	3-2-2	<p>Each and every <u>Listed Company</u> shall maintain a special record comprising the following:</p> <p>1. Disclosures and notifications of the <u>Insiders</u>.</p> <p>2. A detailed and accurate statement of compensations, salaries, incentives and other financial benefits due to each and every <u>Member of a Board of Directors</u> and members of the executive body and this shall be included in the reports to the General Assembly. Any party with a relevant interest may have access to this record during normal working hours.</p>	<p>Each and every <u>Listed Company</u> shall maintain a special record comprising the following:</p> <p>1. Disclosures and notifications of the <u>Insiders</u>.</p> <p>2. Data related to the compensations, salaries, incentives and other financial benefits of the <u>Members of a Board of Directors</u>, and the executive body and the managers.</p> <p>All shareholders of the company shall have the right to access this record during the normal working hours of the company without any fees or charges. In addition, the company must update this data record periodically to reflect the reality of the conditions of <u>Related Parties</u>.</p>
2	Fifteen	Four	4-3	<p>Roles and responsibilities of nomination and remunerations</p>	<p>Roles and responsibilities of nomination and remunerations</p>

				<p>committee shall include:</p> <p>....</p> <p>5. Preparing detailed annual report for all remunerations given to <u>Members of a Board of Directors</u> and executive management members; whether cash or benefits or privileges, of whatever nature and title. However, this report shall be referred to the general assembly for approval and to be read by the Board chairman. The company shall apply accuracy and transparency standards while preparing the remuneration report so that all, directly and indirectly, given remunerations shall be disclosed and avoid any attempt to hide or mislead.</p>	<p>committee shall include:</p> <p>....</p> <p>5. Preparing an annual governance report that includes the total remunerations given to <u>Members of a Board of Directors</u>, 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 <u>Subsidiary Companies</u>, in accordance with the structure mentioned in Rule III of Appendix (2) of this Module.</p>
3	Fifteen	Four	4-4	-	Deleting the Article.
4	Fifteen	Eight	8-6	The company shall prepare a record of disclosures of the	The company shall keep a record that includes the following:

				<p><u>Members of a Board of Directors</u> and the executive management, provided that such record shall be available to be reviewed by all the company shareholders. In addition, all shareholders shall be entitled to review such record periodically, reflecting the real status of <u>Related Parties</u>.</p>	<p>1. Disclosures of the <u>Members of a Board of Directors</u>, the executive management, and the managers.</p> <p>2. All data related to compensations, salaries, incentives and other financial benefits that were granted directly or indirectly by the company or <u>Subsidiary Companies</u>.</p> <p>All shareholders of the company shall have the right to access this record during the normal working hours of the company without any fees or charges. In addition, the company must update this data record periodically to reflect the reality of the conditions of <u>Related Parties</u>.</p>
5	Fifteen	Appendix (3)	-	-	Deleting the Appendix.

Amending Appendix (2) of Module Fifteen according to the following:

Before amendment:

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Rule III

Recruit Highly Qualified Candidates for Members of a Board of Directors and the Executive Management

- Brief about the application of the formation requirements of the nominations and remunerations committee.
- Report on the remunerations to the Members of the Board of Directors and Executive Management.

Rule VII

Ensure Timely and High Quality Disclosure and Transparency

- Summary of the application of mechanisms for presentation and accurate and transparent disclosure that define aspects, areas and characteristics of disclosure.
- Brief about the application of the requirements of the Board of Directors disclosure and executive management disclosures.
- A brief statement on the application of the formation requirements of a unit of investors affairs.
- Brief on how to develop the infrastructure for the information technology on which it shall significantly rely on in the disclosure processes.

After amendment:

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Rule III

Recruit Highly Qualified Candidates for Members of a Board of Directors and the Executive Management

- Brief about the application of the formation requirements of the nominations and remunerations committee.
- Report on the remunerations to the Members of the Board of Directors, the Executive Management and the managers, provided that it shall include the following information as a minimum:
 1. Summary of the company's policy of compensations and incentives, specifically that related to Members of a Board of Directors, the Executive Management and the managers.
 2. Include the two following statements:

Remunerations and benefits of Members of Board of Directors							
Total number of members	Remunerations and benefits through the parent company			Remunerations and benefits through the subsidiaries			
	Fixed remuneration and benefits (Kuwaiti Dinar)	Variable remuneration and benefits (Kuwaiti Dinar)		Fixed remuneration and benefits (Kuwaiti Dinar)		Variable remuneration and benefits (Kuwaiti Dinar)	
	Health insurance	Annual remuneration	Committees' remuneration	Health insurance	Monthly salaries (total of the year)	Annual remuneration	Committees' remuneration
....							

* Details of the segments and types of remuneration and benefits mentioned are examples without limitation.

Total remunerations and benefits granted to five senior executives who have received the highest remunerations. This is in addition to the Chief Executive Officer and the financial manager or their deputy, if not included*														
Total executive positions	Remunerations and Benefits through the parent company							Remunerations and Benefits through the subsidiaries						
	Fixed remuneration and benefits (Kuwaiti Dinar)						Variable remuneration and benefits (Kuwaiti Dinar)	Fixed remuneration and benefits (Kuwaiti Dinar)						Variable remuneration and benefits (Kuwaiti Dinar)
	Monthly salaries (total of the year)	Health insurance	Annual tickets	Housing allowance	Transportations allowance	Children's education allowance	Annual remuneration	Monthly salaries (total of the year)	Health insurance	Annual tickets	Housing allowance	Transportation allowance	Children's education allowance	Annual remuneration
....														

* Details of the segments and types of remuneration and benefits mentioned are examples without limitation.

3. Any substantial deviations from remuneration policy approved by Board of Directors.

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Rule VII
Ensure Timely and High Quality Disclosure and Transparency

- Summary of the application of mechanisms for presentation and accurate and transparent disclosure that define aspects, areas and characteristics of disclosure.
- Brief about the application of the requirements of the Board of Directors disclosure, executive management disclosures, and the managers' disclosures.
- A brief statement on the application of the formation requirements of a unit of investors affairs.
- Brief on how to develop the infrastructure for the information technology on which it shall significantly rely on in the disclosure processes.