



**AMENDMENTS IN
KSA CODE OF
CORPORATE GOVERNANCE**

APPROVED BY CMA ON 20TH MAY 2019



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SUMMARY OF SIGNIFICANT CHANGES

- Children of siblings & maternal and paternal half-siblings no longer falls under the definition of “Relatives”.
- Director’s independence will be considered as “influenced” if he/she receives financial consideration in excess of SAR 200,000 or 50% of his/her remuneration of last year whichever is less.
- Independence of the member of board will be affected if he/she has served for more than nine years consecutive or inconsecutive.
- Unless otherwise considered by the Nomination Committee, businesses and contracts with board member shall not be viewed as a conflict of interest if such businesses and contracts are carried out in the same manner as they are carried out with other contractors of the Company.
- Chairman of the Board within the 1st year of his retirement cannot be appointed as Chief Executive Officer.
- Board member’s business in competition with the company shall be assessed on an annual basis to ensure that it is in accordance with the standards issued by the Ordinary General Assembly.
- Board member having competing business is now required to get approval from Ordinary general assembly only once and not on an annual basis.
- Beginning 1st January 2020, disclosure related to the Senior Executives’ remuneration (presented in the Board of Director’s Report), shall be in accordance with the ‘Table for Disclosure of Remuneration of Senior Executives’.



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