

Survey of specialists' opinions on the mandatory detailed disclosure of the remuneration and compensation of senior executives

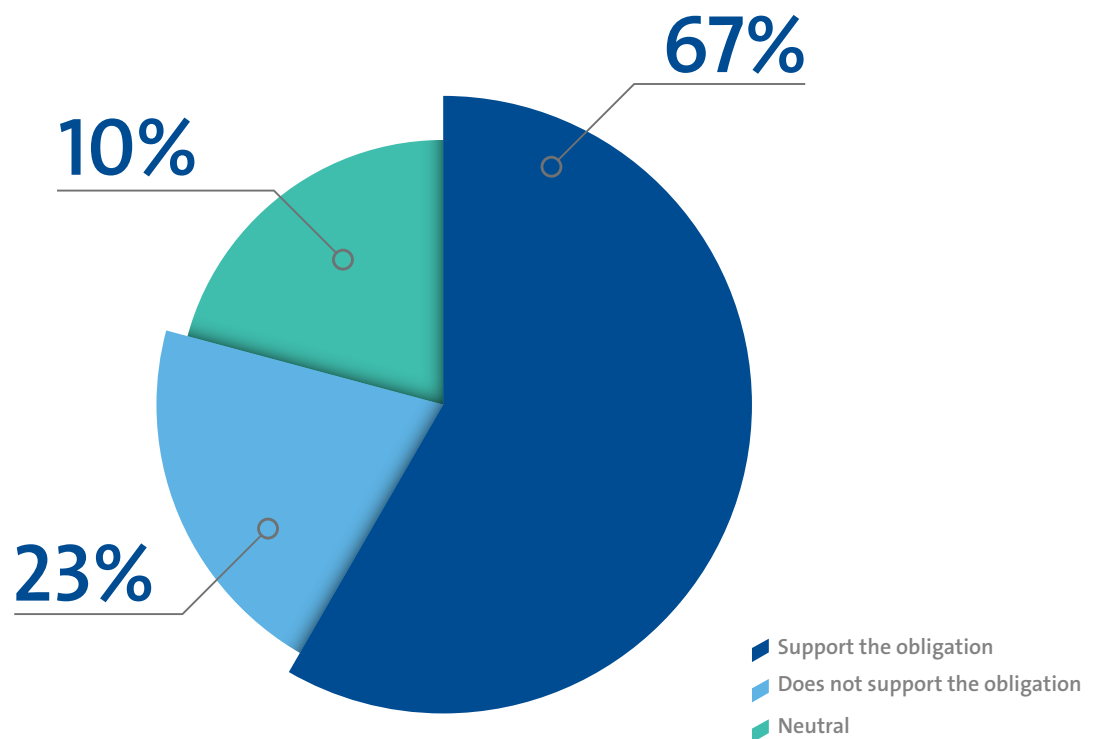
25.01.2021

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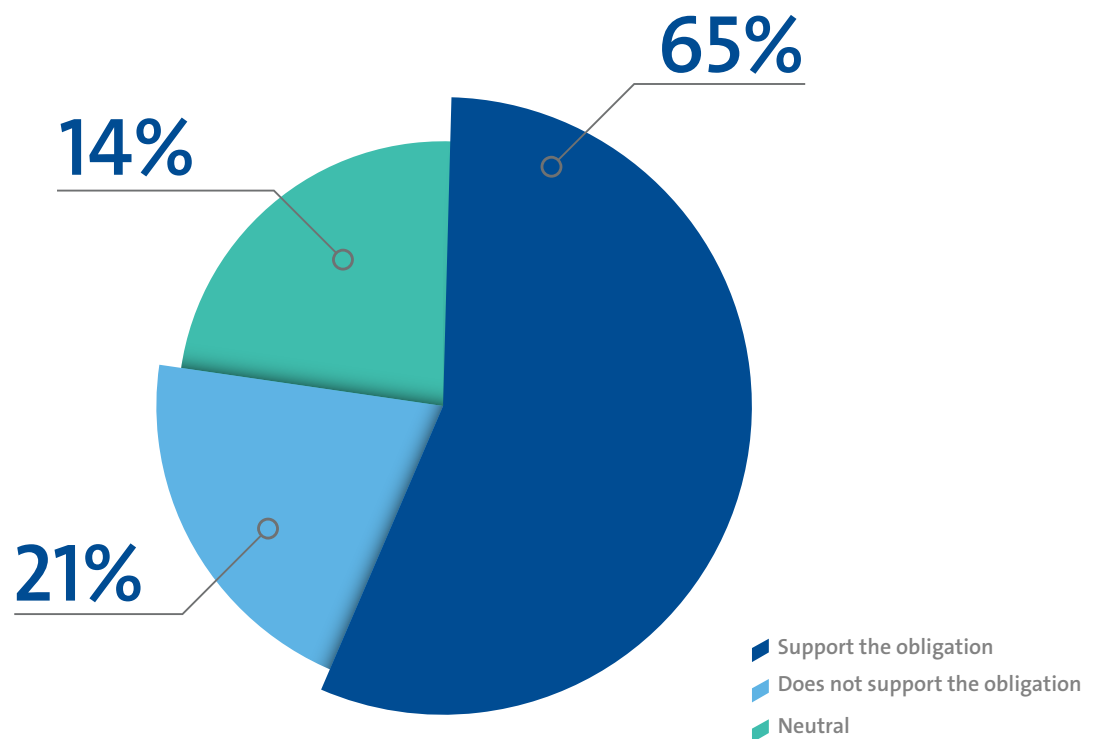
A number of listed companies submitted a proposal to the Capital Market Authority regarding the continuing disclosure in aggregate of the remuneration and compensation of senior executives in the Board report of the listed companies on the Saudi Stock Exchange. This proposal is based on Subparagraph (B-4) of the paragraph (A) of the article 93 of the Corporate Governance Regulation. Which stipulates "A) The Board shall: ... 4) a description of the necessary details with respect to the remunerations and compensations granted to each of the following, separately: ... B. Five Senior Executives who have received the highest remuneration from the Company, provided that the chief executive officer and chief financial officer are among them", The disclosures in the Board report of the remunerations granted to the Board members and Senior Executive should be based on Appendix (1) Remuneration Schedule in the Corporate Governance Regulation. Consequently, the Authority has studied the matter and took the opinions of a group of people working in the financial market sector, and this group has been chosen based on their independence when taking their opinions. Therefore, the opinions are as follows:

The opinions of the independent members of the Nomination and Remuneration Committee of the Listed Companies regarding the mandatory detailed disclosure of the remuneration and compensation of senior executives in the Board Report:



- The team took the opinions of the independent members of the Board of Directors in the Nomination and Remuneration Committee of the listed companies regarding the mandatory detailed disclosure of the remuneration and compensation of senior executives in the Board Report.
- An electronic questionnaire sent on 07/01/2021 to 332 independent members, where appeared to us from the questionnaire that (67%) of the independent members support the obligation of detailed disclosure, compared to (33%) of the independent members that either do not support or are neutral towards the obligation of detailed disclosure.

The opinions of Asset managers regarding the mandatory detailed disclosure of remuneration and compensation of senior executives in the Board report:



- The team took the opinions of the asset managers of the capital market institutions regarding the detailed disclosure of the remuneration and compensation of senior executives in the Board report.
- An electronic questionnaire sent on 05/01/2021 to 59 asset managers, where appeared to us from the questionnaire that (65%) of the respondents in the questionnaire support the obligation of detailed disclosure, compared to (35%) of the asset managers that either do not support or are neutral towards the obligation of detailed disclosure.