



*Survey on Corporate Governance
Frameworks
in the Middle East and North Africa*

- Draft -

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Introduction

Although recognition of the benefits of good corporate governance has been developing rapidly in the Middle East and North Africa (MENA) region, there is a dearth of corporate governance research in the region. This is an important observation, considering that such research is required to advance policymakers' and private sector's understanding of key implementation gaps and possible measures to bridge them.

Noting this lack of research, the OECD conducted its first regional survey on corporate governance frameworks in the MENA region in 2005. This first, stocktaking survey was designed to provide a basis for OECD's ongoing work in the region by identifying priorities for regional and country specific reforms. The survey took into consideration the following jurisdictions that responded to the survey: Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Tunisia, and the United Arab Emirates.

Although the survey did not cover all of the 18 jurisdictions participating in the OECD's MENA Working Group on Corporate Governance, it covered countries in both the Levant and the Gulf Peninsula and hence provided a good picture of the regional state of play. The results of this survey revealed several reform priorities, including the lack of explicit board member duties, in particular in terms of shareholder protection; the limited ability of directors to obtain timely, relevant and accurate information; as well as the lack of guidelines or provisions addressing skills of board members.

In terms of shareholder rights and engagement, the survey noted insufficient pre-AGM communication and weaknesses in the voting process, particularly as it concerned rules on voting in abstentia and proxy voting. It was revealed that private and collective rights of shareholders for action against controlling shareholders and directors should be strengthened and that clearer ex-ante rules regarding minority shareholder treatment should be introduced.

Finally, in examining disclosure requirements, the survey showed that disclosure of related party transactions was insufficiently regulated and that non-financial disclosure more generally required substantial ongoing attention. It was recommended that the responsibility for the annual corporate governance statement should lie with the board as a whole and that the audit committee should play an important role vis-à-vis external and internal audit functions, including in terms of guaranteeing the independence of external auditors.

Given the rapid evolution of corporate governance frameworks in the region, including the introduction of "comply-or-explain" codes in several MENA jurisdictions (i.e. Saudi Arabia, Oman, Jordan, Qatar), the establishment of 6 institutes of directors across the region (i.e. GCC BDI, Mudara IoD, Moroccan IoD, Lebanese IoD, Egyptian IoD, Director's Council) and several corporate governance centers (e.g. Hawkamah, Tunisian Taskforce, Algerian Hawkamah Al Djazir), the need to reassess the requirements of these frameworks and the implementation of OECD's earlier recommendations became evident. This gave rise to the idea of updating the initial stocktaking survey.

This document intends to summarise preliminary results of the updated survey disseminated to all MENA countries. It will serve as a basis for future work of the OECD's MENA Working Group on Corporate Governance, including its regional Taskforces on Corporate Governance of Banks, State-owned Enterprises and Stock Exchanges. It also aims to inform ongoing research in the region.

Methodology

The OECD's initial survey, conducted in 2005, was primarily based on binary (yes/no) approach in order to facilitate responses and obtain a quick, at a glance view of the corporate governance frameworks in the region. The second survey, disseminated to the same Arab countries in 2010, aims to take a more granular view of the corporate governance frameworks in these countries. To this end, some open ended questions were included to supplement yes/no answers. This has the advantage of collecting more detailed information, to some extent at the expense of comparability of the two surveys.

The survey was structured in line with the OECD Principles for Corporate Governance, covering issues related to: I. the corporate governance framework, II. shareholders' rights and their equitable treatment, III. stakeholder rights, IV. disclosure and transparency and V. responsibilities of boards. Under each section, a mixture of open and closed ended questions were used in order to obtain the maximum information without making the survey unnecessarily long.

Responses summarised in this paper were collected from a variety of governmental and private sector organisations (e.g. institutes of directors) which take an active role in the development of corporate governance frameworks in the countries where they operate. Overall, 7 country responses were received and included in the survey, namely from: Algeria (Hawkama El Djazair), Egypt (Egyptian Institute of Directors), Morocco (Conseil Déontologique des Valeurs Mobilières), Tunisia (Tunisian Corporate Governance Taskforce), United Arab Emirates (Emirates Securities and Commodities Authority), Saudi Arabia (Capital Markets Board) and Syria (Syrian Commission on Financial Markets and Securities).

For further development of this survey, obtaining other country responses to the questionnaire and inputs from stakeholders in the region will be crucial. The OECD is currently in contact with a number of jurisdictions in order to finalise this survey. Country representatives are kindly asked to review this survey with a view to verify its correctness and in order to add additional details. The OECD has made an effort to verify the responses provided and to ensure a certain level of consistency among them, however the veracity of the information included in this report is a function of the responses to the questionnaire provided.

Once complete, the consolidated country responses will serve as a "living" database of the national corporate governance frameworks in Arab countries. Unlike some data collection frameworks, the benefit of the survey is that it does not aim to rank countries, allowing instead for a more granular view of national practices, and how they may, or may not, result in functional equivalence with the outcomes promoted by the OECD Principles of Corporate Governance.

Preliminary Results: Key Highlights

The Corporate Governance Framework

- In general, the balance of corporate governance requirements contained in national corporate and securities legislation and regulations and those contained in voluntary codes and listing requirements varies quite significantly across the MENA region. In Oman, Egypt, and a few other jurisdictions, listing requirements have over the years become more rigorous. In Syria, governance requirements are primarily summarised in the Corporate Governance Act, which unlike most codes in the region, is mandatory. Other hand, other jurisdictions have chosen to advance their frameworks through voluntary initiatives.

- The role of the public sector in leading national governance debates is not firmly established. For instance, in UAE, Saudi Arabia and Syria national corporate governance codes have been issued by capital market authorities. In Egypt the issuer, Egyptian Institute of Directors, is a semi-governmental body that historically reported to the Ministry of Investment. However, in Tunisia and Algeria, the private sector has played an overarching role in driving forward the corporate governance agenda, including in drafting corporate governance codes.
- The statutes of codes vary in the region. In Algeria, Egypt and Tunisia, corporate governance codes were introduced as voluntary, however, in, Saudi Arabia, Oman, Jordan and Qatar they apply to listed companies on a "comply or explain" basis. In Saudi Arabia, a number of articles of the code are mandatory for listed companies. In Egypt, while the code is voluntary, several of its articles have been incorporated in the listing requirements of the stock exchange.
- Corporate governance centers and institutes of directors have been established in most countries of the region. In some jurisdictions, notably the UAE, there is more than one corporate governance institute (i.e. the Hawkamah Institute, the Abu Dhabi Corporate Governance Center, GCC and BDI). Most of these institutes are focused on national priorities, however several of them, such as the Hawkamah Institute, the GCC Board of Directors and the Egyptian Institute of Directors have a more regional reach.
- Commercial courts and dispute resolution bodies that can adjudicate corporate governance related matters do not commonly exist in the region. Only Egypt and Morocco indicate the presence of specialised commercial courts. On the other hand, GCC jurisdictions often feature a parallel legal system (e.g. DIFC Courts and Dubai courts). The Egyptian Financial Supervisory Authority is empowered to arbitrate disputes that relate to corporate governance, as is the Saudi Arabian Committee for the Resolution of Securities Disputes.

Shareholders' Rights and Equitable Treatment

- Regardless of the size of their holdings, in most countries shareholders have the right to participate and vote in general meetings. However, in Tunisia companies are allowed to determine the threshold to participate in annual general meetings and in Saudi Arabia shareholders are required to have at least twenty shares to participate and vote in general meetings.
- Notice of shareholder meetings varies between 14 and 30 days. Large shareholders can also request to convene an extraordinary general assembly. The ownership bloc required to do so varies quite significantly from Tunisia, Saudi Arabia and Morocco where 3 %, 5%, 10% of capital respectively is sufficient, to the UAE and Syria, where 30% and 25% of outstanding equity is required.
- One share one vote rule is the commonly accepted system in the region. In several jurisdictions such as Egypt, Morocco and Tunisia multiple share classes exist, as do non-voting shares.
- In all MENA countries, shareholders can in principle vote by proxy, but electronic voting remains relatively rare. In Morocco, electronic voting and voting by mail is accepted and in Tunisia, companies are required to allow shareholder voting by mail. Electronic voting is also a voluntary option for companies in Saudi Arabia.

- Generally speaking, shareholders have the right to vote on all matters discussed in general assembly meetings. Key decisions on, for instance, appointment and removal of directors, issuance of additional capital and amendments to the articles of association are usually subject to shareholders' approval. Only in Algeria can shareholders vote on the appointment and removal of internal auditors.
- Depending on the size of their holdings, shareholders are allowed to place items on the agenda of general meetings. In Algeria, this is not mandatory but recommended by the corporate governance code. Generally speaking, the threshold to place items on the AGM agenda ranges from 5-10% of capital (e.g. Morocco, UAE, Egypt, Saudi Arabia).
- Shareholders' right to vote on the distribution of profits appears to be accepted in the region. Nevertheless, only in Egypt and UAE, does legislation provide for timely payment of dividends (in a period of maximum 30 days).

Stakeholder Rights

- The recognition of the rights of employees, creditors and other stakeholders appears to be limited in the region. In Algeria and Syria, the current legal and regulatory frameworks do not provide the definition of a "stakeholder".
- In most other jurisdictions, national corporate governance codes address, to a varying extent, the notion of stakeholder rights. Collective bargaining system is not widespread in the region (only in Algeria and Egypt). Recognition of employee rights is more prevalent in state-owned enterprises.

Disclosure and Transparency

- Disclosure frameworks in the region have evolved relatively fast. IFRS is now a required reporting standard for listed companies in several countries. In Morocco, IFRS is required for consolidated financial statements and banks and in Saudi Arabia all banks and insurance companies must report according to IFRS. IFRS is required for all listed companies in Oman.
- In all surveyed countries, listed companies are required to provide annual reports and semi-annual or quarterly financial reports. In Egypt, listed companies with one hundred or more shareholders are required to publish semi-annual and quarterly financial reports.
- At least for listed companies, annual financial reports are usually subject to external audit undertaken by independent audit firms appointed by the annual general assembly. Except for Tunisia and the UAE, certification or training is mandatory for auditors of listed companies.
- Furthermore, in most countries, auditor rotation after 3-5 years of consecutive service is required. In Morocco, Tunisia, UAE, Saudi Arabia and Syria there are regulations that limit consultancy services performed by external auditors.
- The legal and regulatory frameworks of MENA countries require companies to disclose information on remuneration of directors and key executives either on an aggregate or individual basis. However, disclosures on education and experience of directors and key

executives, forward looking statements and foreseeable risk factors are still not covered by some countries' frameworks.

Responsibilities of Boards

- Nearly all countries' frameworks contain detailed recommendations on board committees and independent director requirements. However, regulations on qualifications of directors, and remuneration of board members remain limited. In a number of countries, qualification of directors is covered substantially only in voluntary corporate governance codes.
- Typically, the minimum and maximum number of directors for listed companies are prescribed in the legal frameworks. There are exceptions to this in Egypt and Syria where only the minimum threshold is stipulated. There are few restrictions on the number of years a board member can serve, except through limitations on the number of mandates that can be cumulated.
- Apart from Algeria, all countries' frameworks cover a definition of independence for directors. Moreover, in the UAE, Saudi Arabia and Syria, at least one third of the board is required to be independent in listed companies.
- The establishment of a nomination and compensation committee or the equivalent is required for listed companies only in UAE and Saudi Arabia. In addition to these countries, the establishment of an audit committee is mandatory in most countries. There are few requirements, however, concerning the participation of independent directors in these board committees.
- There are provisions in all MENA countries regarding boards' accountability to shareholders, requiring boards to act in the interest of the company and its shareholders. Furthermore, there are also provisions concerning boards' responsibility regarding equitable treatment of all shareholders.
- Board remuneration is rarely regulated except in Saudi Arabia where remuneration is to be disclosed in a disaggregated manner, including fixed pay, stock based remuneration, etc. In addition, Saudi authorities require a link between compensation and objectives to be explicitly drawn in the corporate reporting.

Concluding Remarks

- Although the preliminary results do not, as mentioned before, allow for a direct comparison with the previous survey, they demonstrate that MENA countries have taken some steps to address the recommendations emanating from the previous survey.
- In particular, provisions relating to disclosure and transparency and those relating to the composition of the board were subject to significant revisions. Reviewing the recommendations and good practices following the financial crisis, a number of countries have made adjustments to provisions governing the disclosure of executive compensation, either through regulatory changes or through recommendations of voluntary nature.

- For instance, in Algeria and Egypt, a recommendation to disclose the amount of executive compensation was introduced. In Morocco, a slightly different recommendation to introduce a compensation committee with the participation of independent board members was introduced. Likewise in the UAE, a requirement to disclose the individual amount of executive compensation was introduced for all listed companies.
- Very little change to legal frameworks can be noted in terms of the treatment of related party transactions. This is an important issue to address, considering the large presence of state-owned banks in the region (e.g. Algeria, Egypt) and the political temptation to ask state-owned banks to lend to other SOEs on non-arm's length terms.
- The risk of abusive related party transactions is also important for private sector firms in the region, many of which have complex group structures. In this regard, the MENA Working Group may wish to examine the Asian experience of addressing abusive related party transactions. The OECD has developed a Guide for Fighting Abusive Related Party Transactions in Asia which may stimulate thought about the value of a similar exercise being conducted in the MENA region.
- Limited progress was made in clarifying the liability of board members. This is an important area considering that the lack of such provisions inhibits legal action by shareholders. This feature, taken together with the fact that the powers of securities regulators to support shareholder lawsuits (class action suits or derivative actions) are evolving very slowly, results in a virtual lack of law suits against board members, even in cases where scandals have been uncovered.
- Another important priority in the region is to reinforce the capacity of boards through the establishment of committees and to ensure the participation of independent directors in these committees. Nearly all codes in the region provide a detailed definition of independence, however, in the absence of specified roles for independent members, their contribution remains limited.

Consolidated Responses

LEGEND:

NO = Absent or not required

YESs = Statutory, or required by the stock exchange

YESr = Recommended, and in case of deviation companies must explain

YESv = Voluntary, provision is recommended but companies are not obliged to explain non-compliance

YESa = Advisory, the company is encouraged to comply with the provision of the code/ principle

I. Ensuring the Basis for an Effective Corporate Governance Framework

I-1. Laws, Regulations and Rules on Corporate Governance

I-1.1 Major laws and regulations that stipulate corporate governance requirements

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
- Code of Commerce - Securities Law and regulations by COSOB	- Company Law No 159 and its Executive Regulations No 96 - Capital Market Law No 95 and its Executive Regulations No 135 - CMA's Decree No 30 Board of Directors on Securities and De-Listing Rules of the Cairo and Alexandria	- Law 17-95 (30 august 1996, completed on 23rd may 2008) governing public limited liability companies - Law n°1-93-212 (21st of September 1993 amended several times) creating CDVM and all information required from listed companies	- Code des Sociétés Commerciales (CSC, Code of Commercial Firms) - Stock market regulation by Conseil du Marché Financier (Tunisian securities regulator).	- Ministerial resolution No (518) of 2009 concerning governance rules and corporate discipline standards - Federal Law No. (8) of 1984 concerning commercial companies	- Capital Market Law - Listing Rules - Corporate Governance Regulation - Merger and Acquisition Regulations - SAMA Corporate Governance Code for banks and insurance companies - Companies Law	- Corporate Law - Stock Exchange Law - Corporate Governance Act (issued by the SCFMS) - Commercial Banks Corporate Governance Manual (issued by CBS) - Islamic Banks Corporate Governance Manual (issued by CBS) - Corporate Governance for Insurance Companies

I-1.2 The existence of a Corporate Governance Code that was endorsed by the government or stock exchange

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
Name of code(s)	Algerian corporate governance code	Code of Corporate Governance for the private sector Code of Corporate Governance for State-Owned Enterprises	Code of Good Corporate Governance Practices (and annexes on corporate governance of SMEs and banks) Code on Corporate Governance of SOES	Code of Best Practice of Corporate Governance Guidelines on corporate governance for the banking sector	Governance Rules and Corporate Discipline Standards	Corporate Governance Regulations	NO However most provisions related to corporate governance are covered by Corporate Governance Act
Status	Voluntary	Voluntary	Companies encouraged to comply-or-explain, but this is voluntary	Voluntary	Mandatory (except banks and SOEs)	A number articles/sub-articles are mandatory, the rest are based on Comply or explain approach.	N/A
Provenance	Hawkama El Djazair, (Endorsed by the Ministry of SMEs)	Egyptian Institute of Directors (EIoD)	National Commission of Corporate Governance	L'Institut Arabe des Chefs d'Entreprises	Securities and Commodities Authority (SCA)	Capital Market Authority (CMA)	N/A

I-2. Major Organizations That Promote Improvement of Corporate Governance

I-2.1 Policy making, regulating, supervising, and enforcing authorities

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
- Hawkama El Djazair	- Egyptian Institute of Directors - Egyptian Financial Supervisory Authority - Central Bank of Egypt - Egyptian Stock Exchange - General Authority of Investment	- Ministry of Economic Affairs - National Commission of Corporate Governance - CDVM - Central Bank - Ministry of Justice	- State audit body - The Ministry of Justice - the Securities regulator - The Central Bank	- Securities and Commodities Authority	- Capital Market Authority - Ministry of Commerce and Industry - Saudi Arabian Monetary Authority	- Syrian Commission on Financial Markets and Securities - Central Bank of Syria - Syrian Insurance Supervisory Commission) - Deputy Prime Minister for Economic Affairs - Ministry of Economy and Trade

I-2.2 The existence of an agency that coordinates corporate governance policies within government

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	Egyptian Institute of Directors (EIoD)	National Commission of Corporate Governance	NO	NO	NO	NO

I-2.3 The existence of special courts to litigate or challenge matters related to corporate governance

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YES Egypt created special courts to settle investment related disputes.	YESs Commercial Courts	NO	NO	NO	NO

I-2.4 The existence of a body that are empowered to mitigate or arbitrate disputes matters related to corporate governance (please name)

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	Egyptian Financial Supervisory Authority (EFSA)	NO	NO	NO	Committee for the Resolution of Securities Disputes (CRSD) and The Ministry of Commerce and Industry	NO

I-2.5 Institutions that promote better corporate governance practices

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
- Hawkama El Djazair	- Egyptian CG Society & Egyptian Investors' Relations' Society	- Association of Registered Accountants - General Confederation of Companies (CGEM) - Moroccan Institute of Directors	- Tunisian Center of Corporate Governance	- Hawkamah Institute - Abu Dhabi Center for Corporate Governance - GCC BDI	No national organisation GCC BDI conducts projects in Saudi Arabia	NO

II. Shareholders' Rights and Equitable Treatment

II-1. Shareholder Information

II-1.1 What periodic information are listed companies required to provide?

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
(a) Audited annual reports	YESs	YESs	YESs	YESs	YESs	YESs	YESs
(b) Semi-annual or quarterly financial reports	YESs Semi annual, non audited	YESs Listed companies with 100 shareholders or more.	YESs	YESs	YESs	YESs	YESs

II-2. Shareholder Participation

II-2.1 Do all shareholders, regardless of the size of their holdings, have the right to participate and vote at the general meeting?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs The law allows firms to establish thresholds to participate to the general meeting. The threshold cannot exceed 10 shares. Two or more shareholders holding together more than 10 shares can however choose one of them to participate at the General meeting. Article 279 of CSC (Code des Sociétés Commerciales)	YESs	NO The Companies Law allows each shareholder holding at least twenty shares to attend AGM and vote, unless a company's constitution allows the holding of less than twenty shares to attend (has to be specified in the constitution).	YESs

II-2.2 Convening of shareholder meetings

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
(a) Time of Notice (days before meeting)	30 days	15 days	30 days	15 days	21 days	25 days	14 days
(b) Thresholds for requesting convening an AGM	N/A Board of Directors or Court only can call for AGM	N/A	10%	3% for listed firms; 5% for other companies	30% for AGM 40% for EGM	5%	25%
(c) Legal minimum quorum requirements	YESs for the first Notice (25% of share capital) NO for second notice	EGM: 1st call: 50% 2nd call: 25%	25% of equity of shareholders for ordinary AGM for the first call for the second one without quorum, 50% of equity of shareholders for the first extraordinary AGM, for the second one the quarter of equity	1/3 for ordinary shareholder meetings; 1/2 for extraordinary shareholder meetings	At least half of the company capital for the first call	For extraordinary meetings, 50% for first call and 25% for subsequent calls. For the AGM, first call threshold is set at 50%, no limit exists for the second call	50% of shares unless otherwise is defined in the articles of association

II-2.3 What kind of voting rights may shares have?

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
(a) One share one vote	YESs	YES	YESs	YESs	YESs	YESs Cumulative voting is recommended on the selection of Board of Directors.	YESs
(b) Multiple share classes (please explain existing arrangements)	NO	YES	YESs Preferred shares with no vote, joint shares (one share one vote), dividends shares (one share double vote)	YESs Firms may have more than one class shares. There are no constraints. There exist some non-voting shares such as shares with priority dividend and investment certificates but these are rare.	NO	NO	N/A

II-2.4 Can shareholders vote ~

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
(a) by proxy	YES	YES	YESs	YESs	YESs	YESs	YES
(b) by mail	NO	NO	YESs	YESs	NO	NO	NO
(c) by e-mail or other electronic means	NO	YES	YESs	NO	NO	YES ^v Electronic voting is optional for companies	NO
(d) by telephone/ videoconference	YES The law does not forbid it. Not required unless stated in the articles of association	NO	YESs By videoconference	NO	NO	NO	NO
(e) any other means?	YES Possible, subject to provisions of the articles of association	NO	NO	NO	NO	NO	NO

II-2.5 Is management prevented from using company funds to collect proxies?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESs	NO	YESs	YESs	YESs	NO

II-2.6 Are explicit instructions from shareholders necessary for exercising voting rights over shares held in custody?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs	YESs	YESs	YES ^v

II-2.7 Do shareholders have the right to vote on ~ (Also please specify percent (%) needed for the approval)

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
(a) Appointment of Directors	YESs 50% + 1 share	N/A	YESs 51% of equity shareholders present during the GA.	YESs 50% + 1 vote	YESs Majority of shares represented in the meeting	YESs	YES Majority of shares represented in the meeting

(b) Removal of directors	YESs 50% + 1 share	N/A	YESs 51% of equity shareholders present during the GA.	YESs 50% + 1 vote	YESs Majority of shares represented in the meeting	YESs	YES
(d) Appointment of internal auditors	YESs 50% + 1 share	N/A	NO	NO	NO	NO	NO
(e) Removal of internal auditors	YESs 50% + 1 share	N/A	NO	NO	NO	NO	YES
(f) Endorse the contract with external auditor	YESs 50% + 1 share	N/A	YESs 51% of Equity shareholders present during the GA.	YESs 50% + 1 vote	YESs Majority of shares represented in the meeting	YESs	NO
(g) Request termination of contract with external auditor	YESs 50% + 1 share	N/A.	YESs 51% of Equity shareholders present during the AGM	YESs 50% + 1 vote	YESs Majority of shares represented in the meeting	YESs	YES
(l) Issuing shares	YESs 2/3 + 1 share	N/A.	YESs 51% of Equity shareholders present during the AGM	YESs 2/3 of the votes	YESs 75% of shares represented in the meeting	YESs	YES
(k) Amendment to the company articles, charters, bylaws or statutes	YESs 2/3 + 1 share	N/A.	YESs 2/3 of equity shareholders present during the AGM	YESs 2/3 of the votes	YESs Majority of shares represented in the meeting	YESs	YES

(l) Total or individual remuneration payable to the board members (please specify)	YES 50% + 1 share	N/A.	YESs 51% of Equity shareholders (present during the GA) and only for total remuneration of the board who then share out among the members.	YESs 50% + 1 vote for board members. The CEO compensation is fixed by the board of directors	YESs Majority of shares represented in the meeting.	YESs	YES by virtue of Corporate Law, remuneration may not exceed 5% of net profits.
(m) Major corporate transaction (acquisitions, disposals, mergers, takeovers)	YESs 50% + 1 share if no amendment are made to company bylaws 2/3+1 if amendments are made to company bylaws	N/A	YESs 2/3% of Equity shareholders present during the AGM	YESs 2/3 of the votes	YESs 75% of shares represented in the meeting	YESs	YES
(n) Material transaction with the related parties	YESs 50% +1 share	NO Transactions with a board member must be approved by the AGM.	YESs	YESs 50% + 1 vote	NO	YESs	NO but must be disclosed
(o) Changes to the company business or objectives	NO	N/A.	YESs 2/3 of equity shareholders present during the AGM	YESs 2/3 of the votes	YESs Majority of shares represented in the meeting	NO In regard to changing the company's business, and YES in regard to changing the company's objectives (however it is subject to AGM approval if this requires an amendment of company's constitution)	YES

II-2.8 Is there a call for shareholders to approve annual accounts?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs	YESs	YESs	YESs

II-2.9 Is there a call for companies to provide a separate resolution on each issue at the AGM?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESs	YESs	NO	YESs	YESs	NO

II-2.10 Is there a call for board members and executive officers to answer questions at the GM?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESs	YESs	NO	YESs	YESs	YES

II-2.11 How are votes counted and by whom at the shareholders meeting?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
No Specific legal provisions on this	Show of hands or by poll	Votes are calculated on the basis of shareholders' respective ownership in the corporation by the AGM bureau.	This point is not clear in the Tunisian law.	The vote collector collects the forms from shareholders that shows number of shares and percentage held by each shareholder.	In practice, AGM would appoint a committee during the AGM, which is responsible for counting votes	Votes counting officers are designated by AGM in the beginning of the meeting in observance of representatives of SCFMS and Ministry of Economy and Trade. Votes can be case either by show of hands or by ballot.

II-2.12 Does the law provide for the disclosure of voting agreements?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	NO	YES Minutes of each AGM are deposited at the closest commercial court.	YESs For listed firms	YESs	NO	N/A

II-2.13 Can shareholders directly nominate candidates for the board of directors?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESv For some listed companies a call for candidates is made during shareholders meeting.	N/A.	YES, by voting in the AGM	NO	YESs, according to the decision taken by the General Assembly.	YES, through AGM process.	N/A

II-2.14 How can the board of directors nominate candidates for board positions?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
By submitting a resolution to AGM for vote	N/A	Candidates for board positions can only be nominated by votes in the AGM. The board of directors can only nominate the president of the board and executive directors	N/A	In case of vacant position, the board may appoint new member until the first meeting of the AGM	In case of vacancy, board appoints provisionally a member and this appointment is to be approved by the first AGM	N/A

II-2.15 Are shareholders allowed to place items on the agenda of the AGM? (indicate threshold of ownership if there is one)

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESr Recommended by the Algerian CG Code. In terms of procedure, the request should be submitted to the Board of Directors.	YES 5%	YESs Should have more than 5% of equity shareholders. For the first 5 million MAD of the capital and 2% for any surplus	YESs Depending on the percentage of ownership.	YESs Shareholders representing at least 10% of the company's capital	YES 5%	Yes By shareholders holding no less than 10% of outstanding capital, in writing minimum 7 days prior to meeting

II-2.16 Are the institutional investors required to disclose their voting policy and/or voting record?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	NO	NO	NO	NO	YESr	YES

II-2.17 Are there provisions to prevent restrictions on the number of shares for which an individual shareholder can vote (voting cap)?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	NO	YESs Shareholders can have the voting rights of no more than ten shares, holders concerned by this should meet in order to be represented.	YESs	NO	YESs	YES 5% for individual and 49% for legal persons

II-2.18 Is the amount of shares national or foreign shareholders may own unrestricted?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
Since 2009 the amount of share that can be owned by foreigners is limited to 49% of share capital	NA	YESs	YESs	NO	YESs	Banks 60% Other joint stock companies 49% (majority of directors should be Syrian).

II-2.19 Are there provisions about how to manage conflicts of interest among shareholders?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YES Article 628 of the commercial law with a provision requiring prior approval of the board with a special report from the statutory auditor.	YESs	YESv	NO	NO	YESs	YESs

II-3. Share in the Profits of the Corporation

II-3.1 Is there a call for shareholders to vote on distribution of profits?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs	YESs	YESs	YES

II-3.2 Does law or regulation provide for timely payments of dividends to the shareholders? (If so, how?)

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESs Board is required to implement the AGM's resolutions regarding the distribution of profits within one month	YES Should be done within 9 months after closing the accounts	N/A	YESs Within 30 days from the date of issuing resolution of approving profit distribution	NO Only by the dividends distribution resolution issues by AGM	NO

II-4 Corporate Control

II-4.1 What are the thresholds for notification in case of substantial acquisition of shares?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs For Listed companies 5%, 10%, 20%, 50% and 2/3	YES 10%	YESs	YESs	YES 5%	M&A regulation imposes 30% & 50% thresholds	N/A

II-4.2 What is the threshold for a mandatory offer for all shares at a particular price?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
N/A	30%	N/A	N/A	NO	50%	N/A

II-4.3 Is there a call to undertake antitakeover measures with the approval of the GM?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESs	YESs	NO	NO	NO	N/A

II-4.4 Is there a call to undertake merger measures with the approval of the GM?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs	YESs	YESs	YES

II-5. Shareholders' Redress

II-5.1 How can shareholders seek legal redress if their rights are violated?

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
(a) Derivative action	N/A	N/A	YESs	YESs	N/A	YES	YES
(b) Direct individual action	N/A	N/A	YESs	YESs	YESs	YES	YES
(c) Class Action	N/A	N/A	NO	YESs	YESs	YES	YES
(d) Any other suits or protections?	N/A	Shareholders can submit a complaint to the CMA, which has the power to suspend AGM resolutions that may treat a given group of shareholders unfairly	Shareholders can obtain a court decision for mismanagement or/and breaking the laws/ company statutes.	NO	N/A	N/A	YES

II-5.2 Does the minority shareholder enjoy a right to demand inspection of books and records of the company?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
Any shareholder has that right, whatever is the number of shares he/she owns.	N/A	YESs 10% of equity shareholders	YESs	YESs	YESs 5% of shareholders can request via the Committee for Settlement of Commercial Disputes	NO

II-6. Insider Trading

II-6.1 Please specify the penalties attached to the offense of insider trading/stock price manipulation.

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
6 months to 5 years imprisonment and a fine of 300 EUR to up to 4 x profit made	N/A	3 months to 2 years of imprisonment and/or fines	N/A	Imprisonment for a period of not less than 3 months and not more than 3 years and a fine of not less than 100,000 Dirhams and not more than 1,000,000 Dirhams or a combination of these penalties.	Indemnifying the persons who have suffered damages as a consequence of a violation that has occurred, or obliging the violator to pay to the CMA the gains realized as a consequence of such violation; suspending the trading in the security; barring the violating person from acting as a broker, portfolio manager or investment adviser for such period of time as is necessary for the safety of the market and the protection of investors and from working with companies whose securities are traded on the exchange as well as travel ban; seizing and executing on property. Imprisonment terms not exceeding five years.	Fines, cancel of trades

II-7. Related-Party Transactions

II-7.1 Does the legal and regulatory framework provide for the disclosure of related-party transactions? (please specify thresholds if they exist)

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO Only in case of substantial acquisition.	YES A list of related party transactions should be reported at the AGM on an annual basis.	YESs No disclosure is made in case the operation is done in normal conditions.	YESs	NO	YESs, Companies are required to obtain GAM approval for any intended related party transactions and then to disclose these transaction promptly to shareholders through the exchange website and its annual report.	YES IAS 14

II-7.2 Must related-party transactions be approved by the shareholders and/or the board of directors?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YES First audit committee, then pre-approval of the GA for every single transaction	YESs	YESs	NO	YES Shareholders	N/A

II-7.3 Are related persons required to abstain from voting on the transactions?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
N/A	N/A	N/A	N/A	NO	N/A	N/A

III. The Role of Stakeholders

III-1 Stakeholders Rights

III-1.1 Is there a requirement to recognise the rights of stakeholders?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESs	YESv	YESa	YESs	YES In the Corporate Governance Regulation and the Companies Law	YES

III-1.2 Is there a definition of stakeholders?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESs	YESv	YESa	YESs	YES In the Corporate Governance Regulation and in the Companies Law	NO

III-2 Employee Rights

III-2.1 What are the rights of employees regarding ~

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
(a) Information on the company	YESs	YES Through Employee Committee.	YESv	YESa	N/A	N/A	NO
(b) Collective Bargaining	YESs	YES	NO	NO	NO	N/A	NO
(c) Participation in board meetings	YESs For specific companies with more than 150 employees.	NO Except for listed SOEs under law 203 in which half of the board is elected by employees and the union representative attends all board meetings but with no vote.	NO They are consulted in material matters affecting the company	NO	YES Employees who hold shares of the company can participate	N/A	Upon request

(d) Consultation	YESs	YES Through Employee Committee	YESv	YESa	YES Only for certain members of the management team.	N/A	Upon request
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III-2.2 Does the legal and regulatory framework provide for the protection of whistleblowers?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	NO	NO	NO	YESs	NO	NO

III-3. Creditors' Rights

III-3.1 Are creditors involved in governance in the context of insolvency?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	N/A	NO	NO	YESs	YES	N/A

III-3.2 How are creditors protected against fraudulent conveyance/insolvent trading in the context of insolvency?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
Fraudulent conveyance is punished under criminal law.	N/A	Creditors suspecting such acts may raise their concerns to a commercial court which will investigate these allegations and might nominate a third party to manage temporarily the company and preserve the rights of creditors. The manager responsible for the fraud can be held liable and banned from exercising commercial activities.	NO	The bankrupt would be punished due to committing fraudulence, cheating, or desistence as per articles; 878, 879, 880,881 and 882 of the federal law no. (18) of 1993 regarding the commercial transactions. The punishment may reach up to 5 year imprisonment where such provisions insure the creditor rights.	YESs	Their rights shall not be affected in case of decrease in capital and they shall sue otherwise. They have priority over shareholders in liquidation.

IV. Disclosure and Transparency

IV-1. Financial Reporting

IV-1.1 According to which standard must listed companies disclose their financial results?

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
(a) Domestic accounting standards	YESs	YESs	YESs	NO	N/A.	YESs	N/A.
(b) Another standard (IFRS, US GAAP, etc.) -specify	NO	NO	IFRS Recommended for consolidated financial statements, mandatory for banks.	IFRS	YESs	Banks and insurance companies are required to adopt IFRSs	IFRS

IV-1.2 Does law or regulation provide for consolidated financial reporting?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs Listed companies in the 1 st listing compartment and debt issuers.	YESs	YESs	YESs	YES

IV-2. Non-Financial Information

IV-2.1 Are companies required to disclose information on ~

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
(a) Corporate governance structures and practices	NO	N/A.	YESv	YESa	YESs	YESs	YES
(b) Education and experience of directors and key executives	NO	N/A.	NO	YESa	YESs	YESs Prospectus + Resume (CV) of Board of Director Candidate (to be disclosed)	YES

						only to the CMA)	
(c) Remuneration of directors and key executives (aggregate or individual - please specify)	YESs	N/A	YESv Aggregate	YESa For directors and key executives YESs For the CEO	YESs Aggregate	YESs Adopted method of remuneration and thresholds YESr Individual compensation and benefits	YES
(d) Compliance with and/or deviations from the local corporate governance code	NO	N/A	YESv	YESa	YESs	YESs	YESr
(e) Management Discussion & Analysis	YESs	N/A	YESs	YESa	YESs	YESs	YESr
(f) Forward looking statements of the company	NO	N/A	YESs	YESa	NO	YESs	YES
(g) Ownership structure of the company	YESs	YESs	YESv	YESs	YESs	YESs	YES
(h) Material issues regarding employees and stakeholders	NO	YESs	YESv	YESa	YESs	YES	YES
(i)Foreseeable risk factors	NO	YESs	YESs	YESa	NO	YESr	YES

IV-3. Audit/Accounting

IV-3.1 Are companies required to have their financial statements externally audited?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs	YESs	YESs	YES

IV-3.2 How and by whom are external auditors appointed?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
By the AGM	Boards nominate and shareholders approve the external auditor	By the company	N/A	Decision taken by General Assembly	An audit committee must pass its recommendation to the board and then to be approved by the AGM	AGM by voting according to a proposal by the board; Ministry of Economy and Trade if the one appointed asked to be excused.

IV-3.3 To whom do the internal auditors report?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
Not specified	CEO	Board of directors	N/A	Board of directors	Audit committee of the board	Board of directors

IV-3.4 What rules regulate the audit profession?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
Decree of 1994 on the remuneration of auditors,; executive decree n°96-136 of 1996 on the ethics rules in the accounting profession; Law 10-01 published of 20 June 2010,. Further decrees to be published.	Egyptian Standards on Auditing (ESA)	Public Limited Company Act + Law 15-89 (8 January 1993) regulating CPAs	N/A	Federal law no. (22) of 1995 concerning regulating profession of auditors	Saudi Certified Public Accountants Regulations	Corporate Law Regulations on Accrediting Auditors Accounting Regulation Law

IV-3.5 Is certification or training of auditors mandatory?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YES	YES	YES	NO	NO	YESs	YES

IV-3.6 Is there a code of ethics relating to the audit profession?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	NO	YESs	NO	YESs	YES	YES

IV-3.7 Is there a call for companies to rotate auditor at specified terms? (please specify)

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs 3years	YESv	NO An auditor can be renewed every 3 years for an indefinite period of time.	YESs	NO	YES Auditor rotation required after 5 years of continuous service for the company.	YES Auditor may only stay in position for 4 non-renewable years and may re-start audit activities for the company after 2 years.

IV-3.8 To what extent are national auditing and accounting norms materially divergent from the international standards?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
The accounting principles have been recently changed in order to bring them in line with international standards (2010)	Egyptian Accounting Standards are largely in conformity with IFRS	For Auditing: norms are convergent towards international standards For accounting: norms are converging, some differences are still noticeable	N/A	Approximately in line with international standards.	SOCPA standards are quite similar to the IFRSs. There is a national committee to examine the possibility of harmonizing SOCPA standards with the IFRSs.	N/A

IV-3.9 What institution is responsible for developing accounting standards and the oversight of accountants?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
Ministry of Finance and for some specific issues, the national association of accountants (organisation under the authority of the Ministry of Finance which has responsibility for supervising the accounting profession)	Ministry of Finance Permanent Committee for Standards of Accounting and Auditing & Egyptian Society of Accountants and Auditors (ESAA)	Association of Registered Accountants (OEC) CNC National Accounting Council	Association of Accountants and High Council for Accounting	N/A	Saudi Organization for Certified Public Accountants (SOCPA)	Accounting and Auditing Council Syrian Chartered Accountants Association and any other authorities according to the sector

IV-3.10 Is there a call for limiting consultancy services by external auditors?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESv	YESs	YESs	YESs	YESs	YESs

IV-3.11 Is there a call for providers of corporate information to disclose any material conflict of interest?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs	YESs	YESs	YESs

IV-3.12 Is there a central registry for financial and non-financial corporate information which is readily available to the shareholders?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	NO Periodic and material disclosure made to the EGX and CMA	YESs	NO	YESs	YES Through the Tadawul's website.	YESs

V. The Responsibilities of the Board

V-1 Members of the Board

V-1.1 Does the law, rules or regulations prescribe board structure (unitary or dual board structure)?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs Both structures are allowed	YESs	YESs Both structures are allowed	YESs Both structures are allowed	YESs	YESs	NO

V-1.2 Does the law, rules or regulations prescribe the minimum/maximum number of directors for listed companies?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YES Min:3, Max: 12	YES Min:3	YES	YES Min: 3, Max:12	YES	YES Min: 3, Max:11	YES Min: 3

V-1.3 Is there a limit on number of years board members can serve?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs 6 years max mandate (can be renewed)	NO Except for listed SOEs under law 203, board members mandates are limited to 3 years	NO	YESa Only for independent directors.	YESs Board member mandates are limited to 3 years, but a board member can be elected for more than one term.	YES 3 years mandate. But, if provided by the articles of association, it can be renewed	NO Limits can be defined in the articles of association

V-1.4 Is there a call to ban or restrict staggered boards?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESs	NO	NO	NO	YES	NO

V-1.5 Is there a limit as to how many boards an individual can sit on?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs 5	NO Except for listed SOEs under law 203, it is then 3 boards	NO But some recommendations in the CG code	YESs	YESs	YES	NO

V-1.6 Are companies required to disclose the attendance records of board meetings?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	NO	YESa	YESa	NO	YESs	NO

V-1.7 What is the minimum number of board meetings to be held per year?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
At least one	Four	One	N/A	Six	N/A	N/A

V-1.8 Are there limitations to the appointment of non-residents or foreigners to the board of listed companies?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	NO	NO	NO	YESs	NO	Majority must be Syrians

V-1.9 Is there a provision for all board members to be nominated or elected by shareholders?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESs	YESs	NO	YESs	YESs	YES

V-1.10 Is there a recommendation to disclose the method of selection?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESa	YESa	NO	YESs	YESs	NO But selection is subject to the supervision of the SCFMS and Ministry of Economy and Trade

V-1.11 Is there a provision to prevent the same individual from exercising the role of chairperson and CEO?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESv	YESv	YESr	YESs	YESr	YESr

V-1.12 Is there a provision for the non executive board members to meet separately from the executives?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	NO	NO	NO	NO	NO	NO

V-1.13 Is there a call for the boards' accountability to the company?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs	YESs	YESs	YESs

V-1.14 Is there a call for the boards' accountability to the shareholders?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs	YESs	YESs	YESs

V-1.15 Is there a call for the board to act in the interest of the company and shareholders?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs	YESs	YESs	YESs

V-1.16 Is there a recommendation for board members to devote sufficient time to their responsibilities?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESv	YESv	YESa	YESs	YESr	YES

V-1.17 Is there a recommendation for the board to be responsible for an equitable treatment of all shareholders?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs	YESs	YESs	YES

V-1.18 Is there a call for the board to ensure that an ethical culture pervades the company?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YESa	YESv	YESa	YESs	YES	NO

V-2 Powers of the Board

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
Is there a provision specifying the duties of the chairman?	YESs	NO	YESs	YESs	YESs	YESr	YES
Is there a call for specifying the responsibilities of the board?	YESs	YESs	YESs	YESs	YESs	YESs	YES
Is there a provision for the board to ensure the strategic guidance of the company?	YESs	YESs	YESs	YESs	NO	YESs	YES

V-3 Board Committees

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
Is there a recommendation to establish a compensation committee?	NO	YESv	YESv Encouraged by the law.	YESa	YESs	YESs	YESr
Is there a call for the participation of independent directors in the compensation committee?	NO	YESv	YESs	YESa	YESs	NO Majority of non-executive board members are required).	YES

Is there a recommended proportion of independent directors participating in the compensation committee?	NO	NO	YESs	YESa	YESs At least two members should be independent	NO Majority of non-executive board members are required	YES
Is the compensation committee authorised to obtain the assistance of an external consultant?	NO	YESv	YESs	NO	YESv	NO However the board as a whole can do so	YES if any
Is there a call to establish a nomination committee?	NO	NO	YESr	YESa	YESs	YESs	YESr
Is there a recommended proportion of independent directors participating in the nomination committee?	NO	NO	YESr They have to constitute the majority	NO	YESs At least two members should be independent	NO	NO Only recommendation for establishing the committee
Is there a call to establish an audit committee or a similar internal audit body?	NO	YESs	YESv	YESs	YESs	YESs	YESs
Is there a recommended proportion of independent directors participating in the audit committee?	NO	YESs	YESa	NO	YESs The majority of members should be independent	The committee's members must be all non-executive	YES
Is there a recommendation that all members of the audit committee/internal audit body are independent?	NO	NO	YESa	YESa	NO	NO	YES
Are there guidelines about the powers of the audit committee/the internal audit body?	NO	YESs	YESa	YESs	YESs	YESs	YESs

V-4 Directors' Qualification

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
What requirements must members of the board fulfil?	NO requirements specified	Requirements in the cg code	Requirements in the cg code	Requirements in the cg code	N/A	Ministry of Commerce has issued a number of requirements but companies according to the corporate governance regulation can extend these requirements	There are some requirements according to the Corporate Law

Is there a call for periodic training of board members?	NO	YESr	NO	NO	YESs	YESr	NO
Does law or regulations provide for certification procedure of board directors?	NO	NO	NO	NO	NO	NO	NO

V-5. Independent Directors

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
Does law, regulations or listing rules require the election of independent directors to the board? (if so, what percentage)	NO The Law specifies that board members need to be shareholders.	NO	YESs Only 1/3 of the board members can be from management or employee directors.	NO Only the guide for best practices recommends to have 1/3 of independent directors	YESs At least 1/3 (third) of the board	YESr At least two or 1/3 of board members (whichever is greater).	YESs At least 1/3 of the board
Is there a definition of independence?	NO	YESv	YESa	YESa	YESs	YESs	YES
Does the definition of "independence" exclude persons who are ~							
(a) Related to management (by birth or marriage)	N/A	YES	NO	YESa	YESs	YESs	YES
(b) Related to major shareholders	N/A	YES	NO	YESa	NO	YESs	YES
(c) Employees of affiliated companies	N/A	YES	NO	YESa	YESs	YESs	YES
(d) Representatives of companies having significant dealings with the subject company	N/A	YES	NO	YESa	YESs	YESs	YES

V-6. Directors' Liability

V-6.1 May breaches of duty by members of the board generate their individual ~

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
(a) Civil liability	YESs	NO	YESs	YESs	YESs	YES	YES
(b) Administrative sanctions	NO	YES	NO	YESs	YESs	YES	NO
(c) Criminal penalty	YESs	NO	YESs	YESs	YESs	YES	YES

V-6.2 Does law or regulations provide for ~

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
(a) Individual shareholder suits against the board and management	YESs	YES	YESs	YESs	YESs	YES	YES
(b) Class action suits against the board and management	NO	YES	NO	YESs	YESs	NO	NO
(c) Derivative suits against the board and management	NO	NO	YESs	YESs	YESs	NO	NO
(d) Ombudsman suits on behalf of shareholders?	NO	NO	NO	YESr	NO	NO	NO

V-6.3 To what extent is the board responsible for the financial statements included in the company's annual report?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
Fully responsible	Fully responsible					

V-6.4 Is directors/officers liability insurance commonly obtained?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	NO	NO	NO	NO	NO	NO

V-6.5 Does law differentiate between duty of loyalty and duty of care?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
NO	YES	YESa	NO	NO	NO	NO

V-6.6 Is there a call for disclosing to shareholders conflicts of interests of directors and key executives?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs	YESs	YESs	YES

V-6.7 Are there guidelines about how to manage such conflicts?

Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
YESs	YESs	YESs	YESs	YESs	YESs	NO

V-7. Remuneration of Board Members

	Algeria	Egypt	Morocco	Tunisia	UAE	Saudi Arabia	Syria
Is there a call to distinguish between components of executive compensation (i.e. fixed and variable components)?	NO	YESv	NO	YESa	NO	YESs	NO
Is there a recommendation to include both cash pay and stocks or stock based awards?	NO	NO	NO	NO	YESv	YESs	NO
Is there a call to include not only the compensation received from the hiring company but also from any other company in the group?	NO	NO	YESv	NO	NO	NO	NO
Is there a recommendation to disclose the amount of executive compensation??	YESs	YES	NO	YESa	YESs	YESs	YESs
Is there a recommendation to disclose the individual amount of executive compensation?	NO	NO	NO	YESa	YESs	YESr	YES
Is there a recommendation to disclose the amount of executive severance payments?	NO	NO	YESv	YESa	YESs	NO	YES
Is there a recommendation for minimum holding periods of equity received as compensation?	NO	YESs	NO	NO	NO	NO	NO
Are executives recommended to give notice of their intention to sell company's stock?			NO	NO	YESs		
Is there a recommendation to link executive compensation to specific objectives of the company?	NO	NO	YESv	YESa	YESv	YESs	NO
Is there a call to compare executive compensation to the one paid by other companies in the same sector?	NO	NO	NO	YESa	NO	NO	NO
Are there guidelines about the length of the	NO	NO	NO	NO	NO	NA	NO

period over which severance payments can be executed?							
Is there a provision to allow shareholders to vote on compensation packages for executives?	NO	NO	NO	YES ^a	NO	NO	YES

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