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**Comparison of CG in Gulf Nations**

As a part of our study of the corporate governance practices in the MENA (Middle East & North Africa) region, we analysed and compared relevant codes and regulations of each of the 6 countries comprising the GCC, i.e., the Gulf Cooperation Council. These countries are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE.

These are some of our findings in brief:

- ◆ 3 out of 6 countries have specified a minimum or maximum board size, or both. Bahrain restricts the maximum size at 15, Kuwait has set the minimum at 5 and Saudi Arabia recommends the Board to have between 3 and 11 members.
- ◆ 5 out of 6 countries recommend the Board to be comprised majorly of non-executive directors. Oman recommends all directors to be non-executives.
- ◆ 4 countries require the Board to have at-least one-third independent directors. Bahrain requires a minimum of 3 and Kuwait specifies no such number or percentage.
- ◆ 5 out of 6 countries recommend the board-subcommittees, i.e., audit, nomination and remuneration committees to have at least 3 members.
- ◆ 4 out of 6 countries recommend that the audit committee should have majority of independent directors as members. The other two countries require at least one independent director in the committee.
- ◆ 5 countries require audit committee to hold at least 4 meetings in a financial year. One of those countries has set the minimum number at six.
- ◆ Many countries in the GCC have restrictions on the Board Chairman to chair any committee in the same company.

The full note is available in our website at: [Comparison of Corporate Governance Rules in Gulf-Nations](#)

## Qatar Boards Analysis 2018

In May, we published a report titled, Qatar 2018: Board and Board Committees Governance Report for Listed Companies” which analysed board and board committees’ compliance with Qatar’s corporate governance code. We analysed 21 companies listed in Qatar that had published corporate governance report in English.

Some insights from this report, which analysed 21 companies, are:

*Law: One-third of the Board should be independent*

Practice: 10 companies had less than one third of independent members

*Law: Chairman of the Board should be non-executive*

Practice: 8 companies had an Executive Chairman

*Law: The Board meeting will be valid if attended by majority provided either Chairman or Vice Chairman attends*

Practice: 10 companies hadn’t disclosed directors’ individual attendance in Board meetings

*Law: The Chairman of the Audit Committee should be an independent Board member*

Practice: 14 companies didn’t have an independent Audit Chairman

*Law: Majority of the committee members should be independent*

Practice: 12 companies haven’t complied with this provision

The full report is available in our website at: [Qatar Boards Analysis 2018](#)

## Saudi Arabia Boards Analysis 2018

In May, we published a report titled, Saudi Arabia 2018: Board and Board Committees Governance Report for Listed Companies” which analysed board and board committees’ compliance with Saudi Arabia’s corporate governance regulations. We analysed 21 companies listed in Tadawul (Saudi Stock Exchange), that had published their annual reports in English.

Some insights from this report, which analysed 21 companies, are:

*Regulation: Board member cannot be member of Board of more than five listed joint stock companies*

Practice: One company had Board members exceeding this limit

*Regulation: The board must convene at least 4 times in a year*

Practice: 2 companies were in non-compliance with this provision

*Regulation: The Chairman must be an Independent Director*

Practice: 6 companies didn’t have an Independent chairman

*Regulation: The Remuneration & Nomination Committee should not include any Executive Directors*

Practice: One company had its CEO as member of RNC

*Regulation: Companies must form a Risk Management Committee*

Practice: 7 companies didn’t disclose any information on RMC and 3 Companies had not yet formed the committee

The full report is available in our website at: [Saudi Arabia Boards Analysis 2018](#)

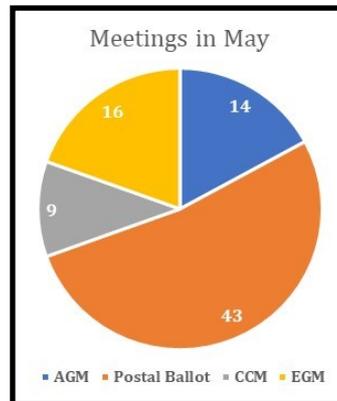
## Shareholder Meetings in May

There were 82 shareholder meetings scheduled in May whose meeting details were collected by InGovern.

These included 14 AGMs, 16 EGMs, 43 Postal Ballots and 9 CCM.

Some of the large companies that held meetings during May are:

ABB India  
Akzo Nobel  
Arvind  
Bharti Airtel  
Castrol India  
Fortis Healthcare  
IDBI Bank  
IL&FS Engineering  
Nestle India  
Sanofi India  
Tata Communications  
TCS  
Tata Power



Please write to us at [info@ingovern.com](mailto:info@ingovern.com) for vote recommendations on any company.

## We are in the News!

### **Bloomberg Quint: Fortis Opts for India Tycoons Over TPG, KKR in Hospital Deal** ([Click here](#))

“Shareholders will be disappointed with the choice as this is just a financial infusion and doesn’t change the character of Fortis Healthcare,” said Shriram Subramanian.

### **Mint: Fortis sale: Munjal-Burman offer not in investors’ best interests** ([Click here](#))

“Burman and Munjal are financial investors and will not be in a position to do any value addition in the company which is a going concern. The board also chose to overlook the advice given by its advisers and even the majority shareholder Yes Bank Ltd has asked the board to consider the best bid,” said Shriram Subramanian.

### **Reuters: Deadly protests land a blow to resources magnate Agarwal's ambitions** ([Click here](#))

“This can lead to investors becoming more conscious against investing in the company which can hurt long term sustainability of some of the businesses,” said Shriram Subramanian, adding that the violence in southern India suggested they weren’t listening to concerns about the environment and health issues

### **Times of India: Whistleblower slams Infy board, again** ([Click here](#))

Shriram Subramanian said signing a mutual release and a non-disparagement agreement is a standard practice in the US.

### **Fortune: ICICI Bank agrees to probe allegations against Chanda Kochhar** ([Click here](#))

Shriram Subramanian of InGovern was of the view that the board should have initiated a probe before they placed full faith in Kochhar and backed her. “The board members have to be convinced as to what the truth is. By rushing to back her without an investigation, I don’t think they did the right thing,” he said.

### **FT: India’s ICICI announces investigation of chief executive** ([Click here](#))

Despite the promised inquiry, ICICI’s board may now struggle to regain investor confidence after its initial firm defence of Ms Kochhar, said Shriram Subramanian, head of InGovern. “They rushed into it and didn’t seem to have any justification for doing so,” he said





## ABOUT INGVERN

InGovern is India's first independent corporate governance research and advisory firm which assists shareholders and lenders that have financial or reputation exposure to companies. InGovern also assists companies in enhancing their corporate governance practices.

InGovern is a SEBI registered Proxy Advisory firm.

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### Corporate Governance Advisory

- *Advisory to companies on enhancing their CG edifice by analyzing their existing corporate governance practices*
- *Benchmarking company practices with best practices*
- *Peer comparison of governance practices*
- *Diagnostic and Action Plan of governance practices*
- *Customized education and sensitization of Board and senior management on governance matters*

### Proxy Advisory

- *Voting Recommendations: Helping clients take informed voting decisions for shareholder meetings – AGMs, EGMs, Postal Ballots and CCMs*
- *'Corporate Governance Alert' on interesting company proposals*
- *Publication of Annual Proxy Season Report*

### Shareholder Activism

- *Advising clients (investors and companies) on solutions for value enhancement*
- *Helping companies to connect with investors on voting decisions for shareholder meetings*
- *Communicating governance practices through market leading Investor Relations initiatives and white papers*
- *Advising companies on strategies, solutions and tools to enhance investor perception and enhance value for all stakeholders*

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