GCC BOARD DIRECTORS INSTITUTE

White Paper

Re-Evaluating The Role Of The Board Secretary In The Gulf

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1. Executive Summary

The rapid development in the region has led to a proactive focus on the importance of governance within organisations. This has been reflected in many GCC countries where new laws, corporate governance regulations, standards and codes have been adopted which meet international standards and respond to the clear opportunities to be gained from implementing strong governance structures.

However, there has been very little focus in the region on the primary role responsible for governance within organisations, its importance and the development of qualified governance professionals, whether they are known as board secretaries, chief governance officers, or company or corporate secretaries.

This paper reviews the need to strengthen and elevate the role of the board secretary in the Gulf as a key driver of board effectiveness and the implementation of higher standards of corporate governance and makes key recommendations in this respect with regards to their role, their professional qualifications and the promotion of the role as a recognised profession.

2. Introduction

This paper has been published with the purpose of raising awareness of the importance of having a senior position within the organisation responsible for governance, whether that position is known as the board secretary, chief governance officer or company/corporate secretary. For ease of reference and because currently the position is most commonly referred to as board secretary in the Gulf region, we will adopt this term throughout this paper.

This paper also describes why it is important that the position of the board secretary is independent of management, that is, reports to the board, and why the board secretary should be a qualified governance professional.

As corporate governance and the role of boards have become more complex, internationally the role of the board secretary has evolved over the last 30 years from a junior administrative role of servicing the board and taking notes at meetings to that of being a senior governance professional. Evidence shows us that it is only when an organisation has a qualified governance professional that it has robust corporate governance and board effectiveness leading to organisational success.

This paper is intended for regulators, ministries, board and committees, board directors and c-suite executives who deal with the board, board secretaries and governance professionals, members of the GCC Board Directors Institute, the media and all those who are interested in promoting corporate governance in the Gulf.

We hope that this paper will contribute to a rethinking and a re-evaluation of the role of the board secretary in the Gulf, their stature and their position in the corporate governance framework.

We look forward to your feedback.

3. Why Do We Need Board Secretaries?

There is global recognition that organisations with strong governance perform better and this contributes to better performing economies. A plethora of corporate scandals have led governments worldwide to respond by introducing new laws, corporate governance regulations, standards and codes of best practice to force or encourage board directors and managers to put their organisations' interests before their own.

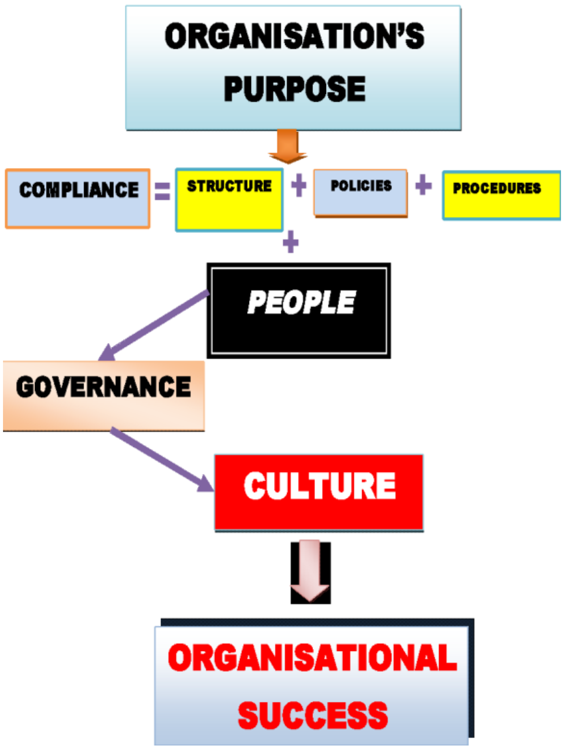
The unintended consequence of this increasing regulation in the area of corporate governance has led many organisations into a compliance only mind set, appointing compliance professionals (lawyers, accountants and compliance officers) to ultimately tick the boxes against the laws, regulations, standards and codes.

While compliance is of course extremely important, the continuing corporate scandals around the world are evidence that compliance alone is not sufficient. Something else is needed.

The something else is 'governance', that is, 'how' organisations set the tone at the top and embed the laws, corporate governance regulations, standards and codes of best practice within the organisation, through the creation of their organisational culture. The creation and maintenance of the appropriate organisational culture requires a different mindset and skillset to that offered by compliance professionals. To be truly effective, corporate governance needs to be dynamic and focused on the objectives and challenges actually faced by the relevant organisation. It cannot be reduced to box ticking or compliance alone.

Organisations are therefore turning to board secretaries to fill this gap as qualified board secretaries offer the mindset and skills required of a governance professional, in addition to a strong understanding of compliance.

The diagram below explains the difference between the compliance and governance elements of a corporate governance framework.



Compliance can be seen as putting in place a corporate governance framework made up of the structures, policies and procedures required to comply with the laws, regulations, standards and codes for an organisation, as dictated by the organisation's purpose, industry, activities and jurisdiction.

Governance, on the other hand, goes well beyond compliance and can be seen as making the corporate governance framework (structures, policies and procedures) work efficiently and effectively, including managing people and relationships to create the right organisational culture.

Simply put compliance answers the 'what needs to be put in place', governance is about 'how it can be implemented effectively'.

4. Governance Roles – Best Practice

The corporate governance responsibilities within an organisation are split between the board and management. The board secretary plays a key role in supporting both the board and management. This split is set out in the table below.

Board Responsibility (Governance Focused)	Management Responsibility (Compliance Focused)
• Values and culture • Board and board Committee structure • Organisational structure • Policy framework • Delegation of authority • Oversight and assurance of the effectiveness of the risk management and internal control systems, including setting risk appetite • Development and maintenance (in liaison with management) of strategy and resource allocation (financial, human, manufactured, intellectual, natural and social) • Oversight of management performance • Ensuring compliance with laws, regulations, standards and codes	• Operate within the values, policy and delegation framework approved by the board • Create and maintain corporate culture in line with values • Establish and maintain the risk management and internal control systems • Implement of approved strategy • Feedback on implementation of strategy and resource allocation • Operate within laws, regulations, standards and codes (compliance function)

Best practice stipulates that there should be different roles within the organisation supporting the board and management in fulfilling the above responsibilities.

4.1 Supporting the Board

There are two main roles that support the board with its governance responsibilities:

a) Board secretary - The role of the board secretary will be described in more detail later in this paper.
b) Internal Auditor - The role of the internal auditor[1] is to provide the board (via the Audit Committee, where one exists) independent assurance that an organisation's risk management, governance and internal control processes implemented by management are operating effectively.

4.2 Independence

To enable both roles to be effective in carrying out their responsibilities, in line with best practice, they should be independent of management. This is achieved by:

a) Appointment and removal by the whole board for the board secretary and the Audit Committee for the internal auditor.
b) Reporting line to the chair of the board for the board secretary and the chair of the Audit Committee for the internal auditor.
c) Remuneration set by the board or Nomination and Remuneration Committee (NRC) for the board secretary and the Audit Committee for the internal auditor.
d) Annual evaluation of performance carried out as part of the board evaluation or by the board/NRC for the board secretary and the Audit Committee for the internal auditor.
e) The board secretary being supported by the board chair and other members of the board when carrying out their duties.
f) The internal auditor being supported by the chair of the Audit Committee and other members of the Audit Committee when carrying out their duties.

[1] International Institute of Internal Auditors.

4.3 Supporting Management

To ensure corporate governance compliance, the CEO is usually supported by the following roles:

General Counsel/Head of Legal - The General Counsel is responsible for the identifying and managing legal risk within an organisation and providing strategic legal advice to management on that risk.

Risk Officer – The Risk Officer is responsible for the implementation within the organisation of processes, tools and systems to identify, assess, measure, manage, monitor and report risks to senior management.

Compliance Officer – The Compliance Officer is responsible for ensuring that all corporate and operational business processes and procedures comply with the law and internal corporate policies.

Heads of different functions within the organisation who are responsible for implementing the structures, policies and processes approved by the board, for example, HR, Finance and Operations.

These roles are focused on ensuring the effective implementation of the corporate governance framework by management as approved by the board. They often provide reports to the board (via the Audit/Risk Committees, where these exist) on legal, compliance and risk matters. These reports are, however, management reports and may require independent scrutiny.

5. Role Of The Board Secretary – Best Practice

The board secretary should:[2]

a) Liaise with the chair to ensure that the board and board committees operate effectively and efficiently.
b) Deliver strategic leadership, acting as a vital bridge between the executive management and the board and facilitating the delivery of organisational objectives.
c) Advise the board on the appropriate corporate governance framework for the organisation – structure, policies and processes – and once approved by the board clearly document and communicate the structures, policies and processes to the board, board committees, management and other stakeholders.
d) Advise the board, the chair and management on all relevant on-going governance issues as they arise, both during and outside of board meetings.
e) Seek to align the interests of different parties around the boardroom table, facilitate dialogue, gather and assimilate relevant information, to enable effective decision-making.
f) Manage the flow of information between the board and management, the board and its committees and the board and its stakeholders, including shareholders.
g) Organise board and board committee meetings, and act as secretary to those meetings. They are also responsible for distributing board packs, producing minutes, and monitoring and informing the board via the action log on progress in implementing the board's decisions. It is best practice therefore for the board secretary to also be the secretary to all the board committees.
h) Develop annual board calendars and work plans to ensure that the board and the board committees cover their remit annually. Based on these work plans, matters arising from previous meetings and the input of the board, management and key stakeholders, develop draft agendas for board meetings to be discussed with the chair of the meeting.
i) Advise management and review all submissions to the board to ensure they are appropriate, that is, that they contain all relevant information for the board to make a decision and address all governance issues.

[2] ICSA/ Henley Business School, *The Company Secretary: Building Trust through Governance*, ICSA Publishing Ltd, 2014.

j) Ensure that when complying with laws, regulations, standards and codes, the board is complying with the spirit, as well as, the letter of those laws, regulations etc. and that all decisions are taken in line with the organisation's values conduct an annual assessment of the corporate governance framework and draft the required corporate governance disclosures, for example, in the Annual Report.
k) Develop a delegation of authority matrix for approval by the board and ensure that the delegation is exercised within the authorities given and only sub-delegated where authority to sub-delegate has been given by the board.
l) Advise the board on the appropriate committees of the board and ensure that they have terms of reference.
m) Liaise with the internal auditor on audits of the risk management and internal controls systems and advise the board and management accordingly on issues raised by them.
n) Assist the chair (or NRC) to organise the annual evaluation of the board, its committees and individual board members.
o) Assist the chair (or NRC) with succession planning for the board and its committees.
p) Arrange for the training of board and board committee members, whether as induction or as on-going development whilst they are on the board/board committee.
q) Assist the board and individual board members when they need to take independent professional advice at the organisation's expense.
r) Advise on and develop policies for subsidiary governance.
s) Manage relations with shareholder and other stakeholders, such as regulators.
t) Ensure the appropriate directors' and officers' insurance is provided where it is available.

To enable them to fulfil their role, it is vital that board secretaries have both direct and informal access to the chair, board members, executive and non-executive board directors (NEDs), and the CEO and senior management team and that they build strong relationships with them.

Where the board secretary attends senior management team meetings, to remain independent, the board secretary should attend as an advisor/observer.

6. Board Secretary Skills – Best Practice

To enable a board secretary to fulfil the roles envisaged in the corporate governance laws, regulations, standards, and codes of best practice, a board secretary is expected to have both a compliance and governance mindset and skillset. A professional board secretary should therefore have an understanding of:

Technical Knowledge

a) The business.
b) Laws, regulations, standards and codes of best practice.
c) Finance and accounting.
d) ESG/ sustainability.
e) Corporate governance.
f) Risk, including reputational risk.
g) Internal controls.
h) Human resource.
i) Meeting management.

Emotional and Social Intelligence Skills

a) Relationship management.
b) Social awareness.
c) Self-awareness and management.
d) Active listening.
e) Communication.
f) Conflict resolution and mediation.

g) Diplomacy.
h) Leadership skills.
i) Strategic thinking.
j) Attention to detail.
k) Diligence.

As the role of the board secretary has evolved, so it has been recognised generally that the board secretary should hold a senior position in the organisation in order to fulfil their role effectively.

However, it is important to ensure that the board secretary holds the professional qualifications, training and skills required for such a senior position.

7. Qualifying As A Professional Board Secretary

The global professional bodies for board/company/corporate secretaries, such as The Institute of Chartered Secretaries and Administrators (ICSA), now known as The Chartered Governance Institute, or the various Institutes of Company Secretaries and Societies of Corporate Secretaries, generally require a degree in law, accounts, or public administration and then additional qualifying specialist exams which would include corporate governance, company compliance and administration, interpreting financial and accounting information, company law, development of strategy, risk management and board dynamics. The qualification for a board/company/corporate secretary is usually equivalent to a post graduate master's level.

8. Professional Requirements For Board Secretaries

Most countries by law require a board secretary to be appointed, but requirements for their professional qualifications vary around the world.

One exception is the UK, where since 2008, there is no legal requirement for a private company to have a company secretary unless the company's articles of association state otherwise. If a private company doesn't have a company secretary, then the company secretarial duties and responsibilities fall upon the directors of the company. Nevertheless, we should note that the profession is highly valued in the UK where Chartered Secretaries are the sixth highest paid employees according to the Office for National Statistics Annual Survey of Hours and Earnings (March 2010).

In most jurisdictions, for publicly listed companies, the board secretary must be a qualified individual and this would mean a minimum of a bachelor's degree in law, finance, accounting or administration and often a minimum of 5 years' experience.

9. Dual/Combined Board Secretary Roles

Prior to the introduction of corporate governance laws, regulations, standards and codes in the early 1990s, most board secretaries were part of the finance function and therefore the role of the board secretary was combined with a finance function. Since the early 1990s, due to the increased focus on compliance, organisations have chosen to position the board secretary within the legal function and so combine the role with that of the General Counsel/Head of Legal. For example, the top three US companies:

a) Walmart – Executive Vice President of Global Governance, Chief Legal Officer and Corporate Secretary.
b) Amazon – Senior Vice President, General Counsel and Secretary.
c) Apple – General Counsel, Senior Vice President and Secretary.

There is, however, a growing recognition that the combination of the roles of the board secretary and the General Counsel/Head of Legal is not ideal and may cause issues.

As far back as the mid-90s, the UK Law Society published Guidelines on Corporate Governance for its members, which stated that they should not carry out, at the same time, the role of the company lawyer and company secretary due to potential conflicts of interest between the roles and the fact that legal advice given in the boardroom, where the individual was there in the capacity of the company secretary, would not be covered by legal privilege.

In 2012, the High Court of Australia, *Shafron v Australian Securities and Investment Commission [2012] HCA 18*, Mr Shafron, the General Counsel and Company Secretary of James Hardie Industries Limited argued that as the company secretary he was under no obligation to give legal advice to the board, this was reserved for his role as the General Counsel. The court held that it was not possible to divide the two roles undertaken by Mr Shafron. Mr Shafron had an obligation as the organisation's General Counsel to advise the board as well as management on legal risk when it arises.

In response to these concerns, organisations, globally, are starting to change their structures and are combining the board secretary role with other positions within the organisation, among them, general managers, human resource directors and other managers. Organisations in some Gulf countries, such as KSA, are also adopting this approach.

In some organisations, the CEO is asked to provide the responsibilities usually carried out by a board secretary. This is not good practice and can lead to weak governance, as the board is not getting the professional governance advice it needs nor an independent perspective on management's behaviours. Some corporate scandals have been put down to management controlling the board's agenda and hiding important information leading to misrepresentations in the accounts, as an example.

The disadvantages of combining the role in any size of organisation are that it compromises the governance of the organisation, as the holder of the role may not:

a) Have sufficient time to carry out both roles effectively.
b) Be independent of management.
c) Have the relevant skills and competencies for the position.
d) Be conflicted in his role.

It clearly depends upon the size of the organisation as to whether the role should be combined or not and it is the contention of this paper that listed companies and large private companies should not combine the role.

10. Outsourcing The Role of The Board Secretary

Another alternative to appointing a fulltime in-house board secretary is to outsource. Although there may be cost advantages to outsourcing, there are also some disadvantages. The main disadvantages that boards need to be aware of when making a decision as to whether to outsource the role or not are:

a) An in-house board secretary acquires an in-depth knowledge and understanding of the company and its history and also develops relationships with the board and management that a part-time secretary or external firm may lack.
b) An in-house board secretary is available at all times to discuss corporate governance issues. A part-time secretary or external firm may be much slower in providing assistance or response to questions.
c) A qualified in-house board secretary offers a wide range of services and is able to take on other responsibilities in a start-up or smaller company. For example, a professional board secretary is often trained in management, law, and accountancy. These services could be taken on by an external firm but may work out more costly.
d) An in-house board secretary may provide support that is difficult for an external firm to provide, for example, assisting the chair prepare for meetings.

e) An in-house board secretary can truly act as the 'conscience of the company' as they have signed up to the organisation's values and ethics. They also have no conflict in that they do not do other work for the company such as providing legal or accountancy services.
f) An in-house board secretary can be relied upon to maintain confidentiality. In-house board secretaries can in many cases be held liable for any breaches in confidentiality whereas this may be problematic in cases of an outsourced service.

Where the role of the board secretary is outsourced, the directors maintain the responsibility for the duties that should be carried out by the board secretary as if they were employed in-house. Therefore, there needs to be proper oversight of the third party fulfilling the role by the board.

Again, it clearly depends upon the size of the organisation as to whether the role should be outsourced or not and it is the contention of this paper that listed companies and large private companies should not outsource the role.

10.1 Family Businesses

The size of the family business will determine whether or not there should be a standalone full time in-house board secretary or whether a combined role or outsourced role is preferred. The challenges discussed above for combined roles and outsourcing would apply.

Often in family businesses a member of the family is asked to take on the board secretary role. Where this occurs, the board should ensure that the individual has the skill set and competencies required to carry out the role.

11. Board Secretaries - The Current Situation In The Gulf

The Gulf has seen extraordinary progress towards improving its standards of corporate governance over the last 10 years. High profile regional cases such as Al Mojil, Al Gosaibi, IPIC, Arabtec and Mobily, and more recently Abraaj and NMC, have put the spotlight on corporate governance standards, clearly demonstrating that more can be done to improve the governance of organisations in the Gulf.

This paper contends that it is not enough to raise the standards of corporate governance through new laws, regulations and codes; it is also necessary to ensure the effective implementation of these standards and the professional board secretary plays a key role in this process.

In the Gulf, all countries are adopting new laws, corporate governance regulations, standards and codes. (See Appendix 1) which all contain references to the role of the board secretary and/or governance professional. (See Appendix 2)

However key challenges remain:

a) In general, board secretaries are not given the stature or the recognition that they deserve in order be an effective part of the corporate governance system. Perhaps because they are called a secretary, their role and their value is not yet well understood. They are often seen at the end of the boardroom table, rather than sitting next to the chair, and are often considered purely as note takers. This will generally result in ineffective boards and the failure of the board secretary to be able to deliver their full role and responsibilities. More therefore needs to be done in raising the awareness of the importance of the role of the board secretary in promoting good governance.
b) Where organisations have recognised that the board secretary role needs to be a more senior role, they often find it difficult to find professional board secretaries with the right skills and knowledge.
c) There is a general shortage of qualified and professional board secretaries in the Gulf. It is not a role that is yet recognised as a profession, as it is in other countries. So more therefore needs to be done in the development of professionally trained board secretaries and in recognising the role as a profession, as it is in other countries.

d) Organisations like the GCC BDI and others have been working to raise the profile of the board secretary and good corporate governance in the Gulf, not just in listed companies, but also in unlisted companies, state-owned organisations, family businesses and other types of organisations. More could be done, however, in raising the standards of professional qualifications for board secretaries.

There is still a lot of work to do to ensure that organisations go beyond basic compliance and implement best practices in corporate governance. The role of the board secretary is a key to this.

12. Recommendations

The board secretary occupies a unique governance position in organisations. He or she is the key point of contact for the board and management, as well as an attendee at meetings of the senior management team, as a governance adviser. We believe therefore that the role of the board secretary needs to be re-evaluated in the Gulf and we make the following recommendations in this respect:

12.1 Listed Companies And Other Public Interest Entities

Listed companies and other Public Interest Entities[3] should have a separate independent board secretariat/governance function. Below is an example of an organisational chart.

View Chart 1 in Appendix 3.

A Public Interest Entity is an entity which, because of the nature, size or the number of their employees, is of significant public relevance. Public Interest Entities usually include:

- All companies listed on the stock exchange.
- All banks and non-banking financial institutions.
- All large public and private companies, defined as being individual companies or group of companies **having at least two of the following:**[4]
  - an annual turnover of [amount to be decided] and above (for example, in the UK this is £750m and above)
  - total assets exceeding [amount to be decided] or above (jurisdictions vary on total assets)
  - more than [amount to be decided] number of employees (for example, in the UK this is 750 employees and above).

12.2 Non-listed Companies (Other Than Public Interest Entities)

These types of companies usually do not have the resources to have a full-time position for the board secretary/governance professional. Also, their governance frameworks and issues may not be as complex as a listed company. It may not therefore be necessary to employ a full-time board secretary, but there is still a requirement in the regulatory framework to have one. These types of organisations may therefore:

a) Combine the role with an existing role within the organisation – dual role;
b) Outsource the function to an accountancy or legal or specialist firm.

[3] Public Interest Entity (PIE) - this concept exists in several countries including the UK. Definitions may vary but a PIE is usually a company that is of considerable public relevance and considered too big to fail and therefore is basically defined by its turnover, assets and number of employees or the nature of the business. A company that meets the criteria of a PIE is usually subject to the same standards of Corporate Governance as a listed company.
[4] See for example Financial Reporting Council: 'FRC sets out principles for public interest test' https://www.frc.org.uk/news/november-2022/frc-sets-out-principles-for-public-interest-test.

12.3 For all Listed Companies And Other Public Interest Entities

a) The board secretary's title should be changed to that of Chief Governance Officer. As the regulatory frameworks in Gulf countries require a board/company secretary, the responsibilities of the Chief Governance Officer should include acting as board secretary.
b) Listed companies and large private or Public Interest Entities should be encouraged to set up a Board Governance Unit (formerly board secretariat) headed by the Chief Governance Officer. This unit should be separate from the Legal, Risk and Compliance functions which sit under the CEO.
c) The Chief Governance Officer should be independent, appointed by the board and reporting to the board.
d) The Chief Governance Officer, who would fulfil the role of board secretary, should be the secretary to all the board committees:

   While current Saudi Arabian Monetary Authority regulations do not allow for this, in a regulated organisation such as a bank, it is assumed that there will be several members of the Board Governance Unit, and a different member of this unit may be secretary to one of the board committees. Where this is the case, a mechanism for briefing the Chief Governance Officer should be put in place.

e) All Chief Governance Officers should be professionally qualified and as a minimum this should include either:

   a) a postgraduate qualification in subjects such as corporate governance, business, law, accounting and finance, administration, and business experience

   OR

   b) a relevant degree (corporate governance, business, law, accounting and finance, administration) and a professional qualification such as the GCC BDI Board Secretary Certification Programme.
f) Only professional and qualified candidates should be recruited as Chief Governance Officers.
g) The role of Chief Governance Officer should be promoted as a recognised profession and regulators and organisations, such as the Human Resource Development Council in Saudi Arabia, encouraged to support the development of the profession.

13. Appendices

13.1 Appendix 1

GCC Regulations

Country	Laws And Codes
Bahrain	• The Commercial Company Law (CCL) is the law governing commercial companies, their types, formation and management. The CCL has been in force since 2001 and subsequently amended, with the last amendment issued on 2 April 2020. • The 2010 Code of Corporate Governance was replaced by the 2018 Corporate Governance Code issued by the Minister of Industry, Commerce and Tourism. This code provides the minimum required standards for corporate governance and applies to all companies incorporated in Bahrain, with the exception of companies carrying out regulated financial services and licensed by the Central Bank of Bahrain (CBB), which are subject to a designated corporate governance code.

Country	Laws And Codes
	• The Rulebook of the CBB embeds the Corporate Governance Code in the High-Level Control Module of the Rulebook applicable to each category of CBB licensee. This is issued by the CBB and the compliance is supervised by the CBB.
Kuwait	• The new Companies Law of Kuwait was issued in 2016, replacing the previous 2012 version. • The Kuwait Capital Markets Authority (CMA Kuwait) issued corporate governance guidelines for Kuwaiti listed companies and licensed companies that fall under the CMA supervision in 2015. • The Board of Directors of the Central Bank of Kuwait approved amendments to the rules and regulations of corporate governance in Kuwaiti banks in 2019.
Oman	• The new Omani Commercial Companies Law issued in 2019. • The first Code of Corporate Governance in the region was issued in Oman in 2002, followed by a Code of Corporate Governance for Insurance Companies in 2005. These were replaced with a new Code of Corporate Governance issued in 2016 for Public Listed (SAOG) companies. The regulators are working on a separate Code for Closed Joint Stock (SAOC) companies.
Qatar	• The new Companies Law issued in 2015 repealing the previous Company Law of 2002. • In 2016 the Qatar Financial Market Authority (QFMA) introduced a new Corporate Governance Code (the QFMA Code) updating the previous 2009 version. • Qatar central bank (QCB) issued corporate governance guidelines for Financial Institutions in March 2008 and corporate governance instructions to banks in 2013, all updated in the 2015 Corporate Governance Principles for Banks.
Saudi Arabia	• The new Company Law 2022 has only recently been approved, replacing the Company Law which had been in place since 2016, which itself had replaced the previous Company Law of 1965. • In 2006, the Capital Markets Authority Saudi Arabia (CMA Saudi Arabia) issued the first Corporate Governance Code, which was amended in 2009, originally on a comply and explain basis, but since 2010, it has become mandatory. The latest Code was amended in 2021. • Saudi Arabia Monetary Authority (SAMA) Corporate Governance Guidelines were first issued in 2009, followed by SAMA 'Principles of Corporate Governance for Banks Operating in Saudi Arabia' in 2012, and the latest Key Principles of Governance in Financial Institutions issued in 2021.
United Arab Emirates	• The new Companies Law of 2021 which came into force in January 2022 has repealed and replaced the previous 2015 Companies Law.

Country	Laws And Codes
	• The latest Code of Corporate Governance has been in force since April 2020 replacing the 2016 Standards of Institutional Discipline and Governance of Public Shareholding Companies. • The Central Bank of the UAE (CBUAE) released its own Corporate Governance Regulations together with the Corporate Governance standards (the CB Regulations) in 2019.

13.2 Appendix 2

GCC Regulatory Requirements for Role of the Board Secretary:

In all GCC countries it is the role of the board to appoint a board secretary. In every GCC Code of Corporate Governance, the secretary shall be selected from among the directors, or the executive management or from outside. Only the Code of Corporate Governance of Oman refers to the secretary as the company secretary and in the case of Bahrain, the Code specifies that the board must also appoint a Corporate Governance Officer.

In terms of qualifications the codes specify as follows:

Country	Secretary Qualifications	Corporate Governance Officer Qualifications
Bahrain	Secretary to the board: Whenever practical, the secretary shall be a person with legal or similar professional experience and training.	The company shall adhere to appoint one of its employees as the company's corporate governance officer. It is preferable if the corporate governance officer is familiar with national laws, regulations, trade legislation and other corporate governance principles, rules, regulations and guidelines, including those of the Organization for Economic Co-operation and Development (OECD).
Kuwait	None	Not applicable
Oman	Company secretary: The secretary has to have: (a) some knowledge background in law, accounting, audit or company secretariat. (b) reasonable practical experience in business administration or executive management. (c) no related parties inhibitions stipulated in this Code.	Not applicable
Qatar	Board secretary: The board shall issue a decision naming the board secretary.	Not applicable

Country	Secretary Qualifications	Corporate Governance Officer Qualifications
	A priority shall be for a person who holds a university degree in law or accounting from a recognised university or equivalent, and for who has at least three years' experience in handling the affairs of a listed company.	
Saudi Arabia	The secretary of the board: Qualifications of the secretary: The board must specify the conditions that the secretary must meet, provided that they include at least one of the following: • he/she holds a bachelor degree in law, finance, accounting or administration or their equivalent, and has relevant practical experience of not less than three years; or • he/she has relevant practical experience of not less than five years.	Not applicable

The Role of the Board or Corporate Secretary according to the GCC Codes of Corporate Governance includes:

a) Assisting the chair and directors in carrying out their duties.
b) Facilitating the implementation of the board of directors (BoD) activities and decisions, including assisting the person in steering the meeting and summarizing the resolutions adopted by the board.
c) Coordinating the BoD's meetings, agendas, invitations, records, books and documents.
d) Recording minutes of meetings and sending them to the BoD.
e) Managing the corporate governance requirements related to the BoD.
f) Coordinating among the directors regarding attendance, documents circulation, and other matters
g) Ensuring access to the committees' minutes of meetings and including them within the board's meeting papers.
h) Coordinating all logistics related to shareholders' meetings (general assembly meeting / extraordinary general meeting) with the chair.
i) Keeping records and documents relevant to the board's activities, such as the Commercial Companies Law, articles of association, memorandum of association, commercial register and updated corporate governance rules.
j) Reviewing the company's procedures and advising the board directly on such matters.
k) Ensuring that the board members follow the approved procedures.
l) Ensuring the board members have full and timely access to minutes of all board meetings, and information, documents, and records pertaining to the company.
m) Coordinating between the board members and other stakeholders in the company, including shareholders, different company departments, and staff.
n) Maintaining statutory registers such as Register of Directors, Register of Shareholders etc.

o) Monitoring the implementation of board policies and controls.
p) Safe-keeping the company's official documents, reports and statements, and original signed minutes of the board meetings, as well as any other documents the board instructs to deposit with the secretariat.
q) Providing assistance and advice to the board members.
r) Ensure company adheres to all regulatory requirements by seeking advice and assist BoD with interpreting legal and regulatory acts related to Corporate Governance codes.

In Bahrain, it is the role of the Corporate Governance Officer to:

a) Verify the company's compliance with corporate governance rules, the laws, regulations and resolutions issued to implement them.
b) Contact or request information from the BoD, its committees or the executive management.
c) Coordinate and follow up on the regulatory requirements for corporate governance.
d) Ensure that the policies and implementation of the company's corporate governance are consonant with the regulatory and legal requirements to which the company is pursuant.
e) Ensure the availability of internal control systems which guarantees the implementation of the principles stated in this code.
f) Work and coordinate with the BoD and the corporate governance committee on a permanent basis to improve the implementation performance in the company.
g) Review the annual report of governance, which is part of the company's annual financial report, to assure its contents and conformity with the company's internal and control requirements.
h) When a new director is inducted, the company (represented by the chair) with the assistance of the legal counsel or the company's corporate governance officer shall follow a system to provide the new director with an introduction to the company's business and BoD's duties and responsibilities, particularly in the legal as well as regulatory aspects and the code requirements.
i) All transactions with related parties shall be reviewed by the company's corporate governance officer and audit committee prior to implementation.
j) Undertake the tasks of verifying the company's compliance with the corporate governance rules, laws, regulations and decisions issued to implement them.
k) Coordinate with the corporate governance committee in relation to all corporate governance matters, follow up and coordinate with the concerned department on the corporate governance matters**.**

The Codes state that each board committee should have a secretary, but they do not specify who should be appointed as committee secretary.

It seems to be common practice for the secretary to the committee to be the senior executive (for example HR Director as secretary to the NRC, the Chief Audit Officer as secretary to the Audit Committee), and not the board secretary.

In Bahrain where there is a requirement for a Corporate Governance Officer, it seems common practice to combine this with the role of the board secretary.

13.3 Appendix 3 – Chart 1