

Corporate Governance Center will convene its First Annual Corporate Governance Conference on May 17, 2017

Corporate Governance Center at College of Business in Alfaisal University is going to release its first corporate governance ranking report. The study is the first evidence-based comprehensive assessment of corporate governance practices among Saudi companies that are listed in Tadawul. It ranks companies based on their corporate governance scores that are calculated using 117 variables to assess the compliance to good corporate governance principles that are determined by Capital Market Authority (CMA), and Organization for Economic Co-operation and Development (OECD). The variables capture the following four pillars of good corporate governance: 1) Board of Directors, 2) Shareholders' Rights, 3) Public Disclosure and Transparency, and 4) Stakeholders' Rights. At the conference, "Best CG Awards" will be given to the companies with highest CG score.

The center considers good corporate governance as an essential component of economic transition envisioned by 2030 Vision. Dr. Bajis Dodin, the principal investigator of the corporate governance project at Alfaisal University, points to the importance of the good governance for Saudi companies in the increasing global competitive market. He thinks that it is necessary to adopt good corporate governance while moving from family-run local business toward professionally run and publicly tradable international business. He believes that a reliable CG index will raise Saudi Arabia's overall corporate governance standards and will provide possible financial and investment benefits as a result of making governance improvements. He mentions that many countries around the world have set up CGIs over the past decade to transform their economy. He continues "We hope our annual CG index and conference would make positive contribution to 2030 Vision by promoting good corporate governance culture and practices among Saudi companies. We have established a specialized research center to fulfill this mission. The conference is being held at an opportune time as the Kingdom of Saudi Arabia is embarking on huge change in its economy. We hope it will be an annual event that will attract the attention and participation of those interested in CG in the public and private sectors. It will be the focal point for the presentation and dissemination of CG research and development."

In addition to the releasing of the CG ranking, the First Annual Corporate Governance Conference will also host Dr. Stephen Davis from Harvard University as a keynote speaker. Dr. Davis, who is a world-renowned expert [on corporate governance](#), will talk about the value of good CG for the Investors and the economy. These will be followed by two panel discussions: The first deals with the role of related government agencies in developing policy and CG principles that suit the Saudi and GCC environment and help the realization of Vision 2030; where the second panel focuses on the impact of practicing good CG in the private sector.

Dr. Necati Aydin, the corporate governance project technical leader, defines corporate governance as a culture of sharing power, responsibility, information, and wealth while caring about shareholders, stakeholders, and society as a whole. He

points to research findings showing strong positive correlation between good corporate governance and higher productivity and sustainable growth. Dr.Aydin speaks about their methodology with a great confidence: “We followed a guideline from the World Bank in developing CG index for Saudi companies. We used wide range of consultation to make sure that we come up with best measurable criteria to evaluate corporate governance policy and practices. We collaborated with top international consultants and worked with local partners to establish index with proper categories and variables. It took over a year to design CG assessment framework and assess companies by exploring their corporate governance practices. We feel very strongly about our methodology and evidence based assessment. We think we have solid and reliable assessment. Indeed, the distribution of CG scores of the companies clearly indicates that our variables capture variation between companies with strong and weak corporate governance practices. ”

Dr.Ahmed Alanazi, the CG project quality assurance director, states that the ultimate purpose of the project is to provide a data-based independent guidance to Saudi companies helping them to adopt good governance principles. He continues “good CG principles promote equal treatment of shareholders; ensure transparency through constant flow of relevant information related shareholders and stakeholders; provide effective structure to hold decision makers’ accountability for their business decisions; and ensure responsible acts in terms of complying with related laws and regulations. We believe that the adoption of those principles would help companies to make better decisions and resolve challenges that could emerge between corporate executives, shareholders, and stakeholders in the course of doing business.”

Samah Alsubaie, a research analyst at Corporate Governance Center, points to enormous labor works in assessing the companies: “We first gathered publicly available documents such as corporate bylaws, annual financial, and BOD reports, and meeting minutes to seek evidence for the implementation of the CG principles. We then communicated with all companies asking for any missing information. The greatness of our study is that we did explore evidence for 117 variables to assess companies in term so their CG practices.”

The conference will be held at Alfaisal University on Wednesday, May 17 from 5 pm to 9 pm. The conference is free and open to the public.

For registration [reg-http://cob.alfaisal.edu/cgi](http://cob.alfaisal.edu/cgi)