

Third Rule



Selection of Competent Persons for the Membership of the Board of Directors and Executive Management

- Nominations and Remunerations Committee

The nomination mechanism to the membership of the board of directors and executive management ensures the continuation of attracting and selecting competent staff to join the membership of the board and executive management. Further, the Company's mechanism of offering remunerations was laid down by Hay Group Company, and approved by the board of directors and the Company general assembly, in order to keep competent staff and attract new competencies and to assist in fulfilling the Company's objectives and its progress. The Company board of directors has re-composed the Nominations and Remunerations Committee to consist of three non executive members of the Board, with one of its members as independent member. The board has specified the Committee membership tenure and its working method, as well as indicated the powers and responsibilities of the Committee in its charter, approved by the board. Further, the Company articles of associations stipulates a clear policy for offering remunerations to the chairman and members of the board of directors. Further, the Company remunerations policy is based on the following principles:

- Compliance with the provisions of the Companies Law and the relevant laws.
- Taking into consideration attracting and maintaining the best competent personnel.
- Ensure equality within the Company and competitiveness outside the Company.
- Transparency in offering remunerations

- Board Members' Remunerations:

- The applicable remunerations and incentives system in the Company, particularly those related to the board members, has the highest transparency criteria, as stipulated by the governance rules, whereby the following are adhered to:
 - The Board remunerations system complies with the provision of article 198 of the Companies Law No.1 of 2016 that it is inadmissible to estimate the total remunerations of the board of directors members by more than ten percent of the net profit after deducting depreciation, reserves and distribution of a profit not less than five percent of the capital to shareholders or any higher percentage stipulated by the Company memorandum
 - The board members' remunerations shall be approved by the general assembly, pursuant to the recommendation of the Nominations and Remunerations Committee
 - The independent board of directors member may be exempted from the aforesaid remunerations maximum limit pursuant to the approval of the ordinary general assembly.

Executive management remunerations and incentives:

The remunerations system of the executive management is associated with the key performance indicators (KPIs) for the executive management and the results realized by the Company, and includes the following:

Fixed remunerations:

- Take into consideration the level of the responsibilities entrusted to the employee, his occupational progress, experiences and competences.
- Fixed remunerations are determined, including the amounts, allowances, benefits and privileges, according to the job grades approved by the board of directors.

Performance related remunerations:

- Performance related remunerations are associated with achieving predetermined goals for each of the executive management and the Company.
- Performance related remunerations were laid down to motivate the executive management to double up the efforts and achieve the required goals.
- Performance related remunerations are reviewed and determined annually

Remunerations in the form of shares:

- As per the remunerations and incentives system approved by the general assembly, remunerations related to performance are offered to the executive management in the form of shares for specific job grades.

Remunerations given to the Board of Directors and executive management:

BOD Members	Remunerations, salaries, incentives and other financial benefits through the parent company and its subsidiaries	Total Remunerations, salaries, and incentives and other financial Benefits in KD
	Fixed and variable remunerations for their related committee roles for the year 2020	75,470

Executive Management Members	Remunerations, salaries, incentives and other financial benefits through the parent company and its subsidiaries in (KD)			
	Fixed Remuneration and benefits for the year 2020 (salary, health insurance, Car allowance and school allowance)	Annual Cash remunerations for 2020	Due Bonus Shares Remunerations for the year 2017	Bonus Shares remunerations for the years 2018, 2019, 2020
	359,775	144,300	15,847	0
Total	519,922			