



BOARD NOMINATION AND REMUNERATION COMMITTEE CHARTER

January 2016

Version 1.0

Contents

Glossary.....	1
Board Nomination and Remuneration Committee.....	2
1. Purpose and Mission.....	2
2. Scope of Authority.....	2
3. Membership and Term.....	3
4. Secretary.....	3
5. Quorum.....	3
6. Meetings.....	4
7. Responsibilities.....	6
8. Reporting Responsibilities.....	10
9. Committee's Performance Assessment.....	10
10. Confidentiality.....	10
11. Disclosure.....	10
12. Amendments to the Charter.....	11

Glossary

Term	Definition
The Company or Mushrif	Mushrif Trading and Contracting Company
AGM	Annual General Meeting
The Chairman	Chairman of the Board of Directors
BOD or the "Board"	Board of Directors
BNRC	Board Nomination and Remuneration Committee
CEO	Chief Executive Officer
The Charter	Board Nomination and Remuneration Committee Charter

Board Nomination and Remuneration Committee

1. Purpose and Mission

The Board Nomination and Remuneration Committee (hereinafter the "Committee" or the "BNRC") is responsible for recommending Board Members' appointments and re-nomination for election by the General Assembly as well as conducting the annual self-assessment of the Board's performance. The Committee is also responsible for evaluating the compensation and remuneration of the members of the Board and of Executive Management.

This charter has been prepared in line with the CMA regulations related to Corporate Governance and other related regulatory requirements and is considered as part of the Company's Corporate Governance Framework.

Wherever the provisions of this charter contradict with any newly issued statutory or regulatory requirements, the statutory and regulatory requirements will take precedence over the provisions of this charter till the charter is properly updated and approved.

2. Scope of Authority

The Board authorizes the Committee within the scope of its responsibilities to:

1. Perform activities within the scope of its Charter.
2. Have unrestricted access to the Company's management, employees and relevant information. The Committee may seek any information that it requires from any employee of the Company.
3. Engage independent counsel and other advisors, as it deems necessary to carry out its duties, provided such engagements are justifiable.
4. The Committee may delegate parts of its responsibilities to a certain function / executive committee within the Company, it may not delegate its ultimate responsibility for the decisions taken by these functions / executive committees.

3. Membership and Term

1. The Committee shall consist of 3 members, one of them at least should be an independent member.

2. The Nomination and Remuneration Committee should be chaired by a non-executive board member.
3. The membership will run concurrently with the term spent on the Board and will be for a period of three (3) years that can be renewed as long as the member is still a member of the Board.
4. The members of the committee shall not be absent two consecutive meetings. Where this happens, the Board shall be notified and action might be taken accordingly.
5. The committee is compensated according to the Company's Remuneration Policy.

4. Secretary

1. The Board Secretary may be nominated as the Committee Secretary. If not, the Secretary shall be appointed by the Committee.
2. The Secretary of the Committee shall fulfill the following responsibilities:
 - Prepare and issue meeting invitations and agendas;
 - Prepare and submit for approval the contents of the agenda for all meetings of the Committee, which are convened; and
 - Prepare and submit for approval the minutes of each meeting held by the Committee and maintain minutes for future reference.
3. In the absence of the Committee Secretary, the Committee Chairman shall appoint another member or any of the attendees, to take the role of the Secretary during the meeting.

5. Quorum

1. Only members of the Committee and the Committee Secretary shall be entitled to attend Committee meetings. However, members of management or representatives and other specialists may be invited to attend meetings upon request of the Committee.
2. The quorum necessary for Committee meetings shall be two members(majority of members).
3. A duly convened meeting of the Committee at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee as specifically delegated by the Board.

4. The Committee Secretary will record the attendance of the members in every meeting.
5. The Committee meetings can be held in person or via various means of telecommunication.

6. Meetings

Notice to the meetings, agenda and Frequency of Meetings

1. The Committee shall meet at least once every year. Additional meetings may be held as needed or as requested by board members.
2. The Committee Secretary should coordinate with the Committee Chairman and members to finalize the frequency and timing of the Committee meetings.
3. It is the responsibility of the Secretary of the Committee to schedule and call all meetings of the Committee and provide the Committee with a written agenda for all meetings along with the meeting information pack at least three working days before the meeting.
4. The Secretary of the Committee shall prepare the agenda based on the direction of the Committee Chairman. Committee members shall be consulted if they would like to add additional items to the agenda.
5. During the absence of the Committee Chairman, members shall elect one of themselves to act as the Chairman for the meeting.

Attendees

The Committee has the authority to invite any member of the Executive Management or any other party as deemed necessary. The Committee shall hold public or private meetings with attendees to perform its duties.

Conflicts of Interest

1. In case of a potential conflict of interest is identified, the respective member shall inform the Chairman as soon as the member is aware of this potential conflict and should not participate in the Committee's deliberations and resolution on the matter concerned.
2. All conflict of interest incidences should be reported in the minutes of meeting and shall be tracked to be presented to the Board.
3. Committee members follow the Company's policy related to Conflict of Interest.

Minutes of Meetings

1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
2. The meeting minutes shall be signed by all members who have attended the meeting and should be made available prior to the following meeting.
3. Minutes of the Committee meetings shall be circulated promptly to all members of the Committee and, once signed, to all members of the Board.
4. The Committee will maintain written minutes of its meetings, along with a table tracking the Committee's decisions which will be filed with the minutes of the meetings. These minutes should be made available for regulatory inspectors and authorized persons.
5. Copies of the resolutions will be maintained at the Company's Head Office and will be circulated to the concerned management to take necessary action.

Annual General Meeting

The Committee members are encouraged to attend the Annual General Assembly Meeting to respond to shareholders queries.

7. Responsibilities

Nomination and Re-nomination of Board Members and Executive Management

1. Provide recommendations to the Board on the nomination and re-nomination for a BOD membership and Executive Management.
2. Set the key roles and responsibilities of the Board of Directors as part of the Board Charter.
3. Ensure that independent board members maintain their independence by complying with independence requirements issued by the CMA throughout their membership of the board.
4. Conduct an annual review on the required skills and competencies for BOD and Executive Management membership taking into consideration the regulations set out in the Rules of Corporate Governance by the CMA:

Mushrif Trading and Contracting Company

- Appropriate qualifications that confirms with the requirements of the position he/she is applying for;
 - Adequate professional experience in a field that confirms with the nature of the Company and the position he/she is applying for; and
 - Technical, leadership and administrative capabilities that allows the independence at work and the efficient decision-making process.
5. Receive and assess CVs of candidates for executive positions.
 6. Identify Board members qualified to fill vacancies on any Committee of the Board and recommend to the Board that such person(s) are appointed to such committee.
 7. Consider all candidates for Board membership recommended by the shareholders.
 8. Review annually the time required from Board Members. Performance evaluation should assess whether the Board Members are spending adequate time to fulfill their duties.
 9. Nominate the Company's representatives in the BOD of subsidiaries and strategic investments.

Responsibilities with respect to the Company's Management

1. In-coordination with Executive Management, design a plan for succession and replacement of Executive Management and officers including replacement in the event of an emergency or other unforeseeable vacancy.
2. Conduct an annual review of the adequacy of succession arrangements for executive directors and their respective direct reports.

Training responsibilities

1. Provide each new director with a formal and tailored induction program. The program may include, but is not limited to, the following:
 - Company's strategy and business plans.
 - Meetings with Executive Management
 - Financial and operational performance.
 - Legal and regulatory commitments.

- Rights and obligations for each board member and Executive Management.
 - Duties and responsibilities for Board Committees.
 - Significant financial, accounting and risk management issues.
 - Visits to the Company's facilities (where applicable).
2. Provide the members with the Board Member's Handbook.
 3. Set a system to encourage Board Members to attend training courses, seminars and events providing the opportunity to meet with local and international institutions and companies with the objective of developing skills relevant to the Company's business.

Board and Board Committees Performance Assessment

1. Manage an annual self-assessment of the Board's overall performance and performance of each board member based on the assessment criteria stated in the relevant policy of the Company, including but not limited to the following:
 - Their integrity and judgment;
 - Their ability to devote sufficient time to the affairs of the Company;
 - and
 - The diversity of backgrounds and experience they will bring to the Board.
2. Administer the performance assessment process of the Board and Board Committees by coordinating with the Board and various Board committees during the assessment process, consolidating assessments results and presenting the same to the Board.

Company-wide Performance Management

1. The Committee should ensure that a system exists for evaluating staff performance at all levels. The Committee shall also ensure that procedures and processes of evaluation is clearly documented, approved, transparent and advised to all staff with no conflict of interests.
2. The Committee shall evaluate the performance of the CEO in light of corporate goals and objectives and in accordance with the evaluation guidelines stated in the Remuneration Policy.
3. The Committee should ensure that all performance-based incentives awarded to

Executive Management is in line with the objective performance standards stated in the Board-approved Remuneration Policy.

Board and Executive Management Remuneration

1. Prepare the remuneration policy for the Chairman, the Board Members and Executive Management and submit the same for Board approval.
2. Review the remuneration policy at least annually or at the Board's request, and provide the Board with policy amendment/update suggestions.
3. Determine and establish different remuneration categories that will be given to the employees such as fix remuneration, variable (performance remunerations), equity and End of Services Benefits. The Board should also ensure that remuneration is competitive to the market benchmarks to retain highly qualified and productive personnel at all levels.
4. Provide recommendations to the BOD for the annual remunerations of BOD members to be presented to the Shareholders General Assembly for its ultimate approval.
5. Make recommendations to the Board regarding the level and components of the remunerations of the CEO and his/her assistants deputies/deputies assistants as well as the Company's executive staff, taking account total remuneration including salaries, fees, expenses and employee benefits. In the process of recommending the CEO's remuneration, the Committee may consider the Company's performance, shareholder return relative to comparable companies, value of awards to CEOs at comparable companies and awards granted to the CEO during the past years.
6. Seek advice from the Board Risk Committee (BRC) and the Risk Manager, as appropriate, on the alignment of risk appetite with performance objectives set in the context of incentive packages and on whether any adjustments for risk need to be applied when considering performance objectives or actual performance.
7. Coordinate with the Board Risk Committee and the Board Audit Committee during the process of setting the remuneration of the Risk Manager, Internal Audit Manager's remuneration.
8. Ensure that none of the members of the Executive of Management is involved in deciding their own remuneration.
9. Provide support to the Chairman of the Board in the process of setting the remuneration of the Board Secretary.

10. Ensure that performance assessment and remuneration is linked the achievement of set Key Performance Indicators (for more details, refer to the **Remuneration Policy**).
11. Ensure that remuneration is granted in accordance to the approved remuneration policy.
12. Ensure that remuneration granted to the BOD does not exceed 10% of the Company's net profit (after deducting reserves and distributing at least 5% of the Company's capital, or any higher percentage as set in the Company's Articles of Association, among shareholders as dividends). The AGM may agree to exclude the independent board members from the percentage stated above.
13. The Committee shall also be responsible for retaining and overseeing outside consultants or firms for the purpose of determining director or management's remuneration, administering remuneration plans, or other related matters. This needs to be in compliance with CMA Rules of Corporate Governance and other applicable regulations or instructions.

8. Reporting Responsibilities

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its ambit where action or improvement is needed.

9. Committee's Performance Assessment

The Committee shall conduct an annual self-assessment of its' performance to assess the Committee's effectiveness in comparison to responsibilities detailed in this Charter. The results of such assessment shall be reported to the Board upon completion of the assessment process.

10. Confidentiality

Members of the Committee and other persons who attend the meetings must maintain the confidentiality of all documents they receive, on the contents of deliberations and on all confidential information and classified information of the Company; that are disclosed to them in the course of their work on the Committee.

11. Disclosure

1. The membership of the Committee including names, roles, responsibilities, and a description of its duties and activities during the year shall be disclosed in the Company's Annual Report.
2. A detailed report shall be prepared, disclosing all remunerations for board members and Executive Management whether in cash or benefits. The report shall include the following:
 - The remuneration and incentives system applied by the Company, specifically remuneration related to the members of the board and the Executive Management.
 - The details of the remunerations granted to the members of the board and the Executive Management (amounts, benefits or advantages) with analysis of various remuneration categories.
 - The value of the remuneration granted to the Chief Executive Officer (CEO) and Executive Management, in addition to the Chief Financial Officer or his/her deputy if not included.
 - Any remunerations granted (directly or indirectly) by the Company or its subsidiaries.
 - Any substantial deviations from the approved remuneration policy.
12. Amendments to the Charter

This Charter would be subject to at least an annual review or whenever the need arise by the Committee in order to:

- Ensure compliance with regulatory requirements.
- Keep abreast of the latest developments in corporate governance practices and standards, both domestic and international.
- Any other required amendments.

Any proposed amendments to the Charter will be recommended to the Board for approval.