



National Petroleum Services Company K.S.C.C.

Board and Executive Management Training & Performance Evaluation Framework Policy

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1 Preamble

The Corporate Governance instructions issued by the CMA in June 2013 includes requirement that the company implements systems and mechanisms to ensure the ongoing personal development, training of the board members and executive management personnel and to evaluate the performance of the board of directors as a whole and the performance of each member of the board of directors and the executive management.

2 Policy Statements

National Petroleum Services Company K.S.C.C. (“the Company” or “NAPESCO”) should define in detail, the tasks, responsibilities and duties of the members of the board of directors and the executive management, as well as the power and authority that is delegated to the executive management.

The roles and responsibilities of both the board of directors and executive management should be identified clearly in the organizational structure of the company, so that it reflects a balanced structure in authorities and powers between both the board of directors and the executive management, as well as not providing any of the parties with absolute authority and that is to ease the accountability process for each of the board and the management by the shareholders of the company.

Accordingly, the Nominations & Remuneration Committee should ensure that an appropriate framework has been established to ensure adequate training & development programs for board members and executive management are being implemented as well as evaluating the performance of the Board and the Executive Management on a periodical basis.

The agenda of the NRC meetings should include the topic of “discuss and suggest the required training programs for each board member and executive management”. The training requirements for board members and executive management shall be identified based on the previous performance evaluation as well as the overall contribution in the board level activities

These requirements shall be communicated to the training & development department in order to prepare the adequate resources for delivering the training

The board members and executive management are encouraged to attend and participate in business relevant conferences and/or workshops whenever possible in order to maintain their industry knowledge up to date

At minimum each new board member upon his/her assignment will attend a presentation on;

- Company’s strategy & objectives
- Company’s activities and the relevant financial and operational functions
- Legal and regulatory obligations of the company’s board of directors
- Roles, responsibilities, authorities and rights of the board of directors
- Role of the board level committees

This presentation should be conducted by the CEO, Chairman or any other board member

All training records of the board members and executive management will be maintained by the training & development department

The criterion should be established for the ordinary responsibilities of the Board members. For any additional responsibilities (specific tasks) delegated to a Board member by the Board, their performance would be measured against pre-defined KPIs which will be developed by the NRC in conjunction with the Board.

The Board Member & Executive Management Performance Evaluation is designed, as a requirement by the Corporate Governance regulations issued by the CMA to evaluate the performance of the board as whole and the individual Board Members, executive management. This evaluation needs to be filled prior to the General Assembly every year by the Nomination & Remuneration Committee.

Board members and executive management should continually try to improve their effectiveness and a good place to start is by understanding of their own performance. The Nomination & Remuneration Committee (NRC) will be responsible for overseeing the annual evaluation of each Board Member and executive management. The results of the assessment and any action plans arising should be reported to the Board by the NRC after discussion with the Chairperson of the committee

The Chief Executive Officer would then lead discussions on the results of the assessment focusing on those areas which clearly need improvement or development.

Appendix 1 and Appendix 2 are the general evaluation criteria for the Board and the Executive Management.

A rating scheme can be used in the evaluation as follows:

5 strongly agree, 4 agree, 3 neutral, 2 disagree, 1 strongly disagree

3 Policy Review

The ownership of this policy is with the Board of Directors. The Board of Directors shall review this policy at least annually and shall make amendments, if deemed necessary.

4 Copyright Statement

National Petroleum Services Company K.S.C.C (“the Company”) has a proprietary right over this Policy and its contents. No part of the Policy should be copied nor is to be removed from the Company premises without the express written permission of the Policy Owner.

The content of the Policy is to be treated as confidential and is not to be shown nor distributed to any non-authorized persons or customers, inside or outside the Company.

5 Policy Administration

All Policy administration requirements like access, review, update, approval authority for review, and amendments of the Policy and the register of amendments will be as per the Authority Matrix of the Company.