



National Petroleum Services Company K.S.C

Nomination and Remuneration Committee Charter

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1. INTRODUCTION

- This Charter for the Nomination and Remuneration Committee (“NRC” or “the Committee”) sets out the membership, responsibilities, principles and operation of the NRC and identifies the interaction with the Board of Directors and management.
- This Charter must be read in conjunction with other governance documents.
- The reference to Company includes subsidiaries of National Petroleum Services Company K.S.C (“NAPESCO” or “the Company”), if any.

2. ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

The role of the NRC is to assist the Board of Directors of the Company in fulfilling its oversight responsibilities related to the effectiveness, integrity and compliance of the Company’s nomination and remuneration policies and procedures and review & approve selection criteria and appointment procedures for Board member and Senior Management and ensure that overall nomination and remuneration policy and approach fits the strategic goals of the Company.

3. REPORTING LINES

The NRC shall report to the Board of Directors of the Company.

4. MEMBERSHIP COMPOSITION

- NRC members, including the Chairman shall be recommended and appointed by the Board of Directors.
- The Committee will comprise of three members at least, one of which should be an independent member and the Chairman of the Committee should be a non-executive member of the Board of Directors.
- The Board of Directors of the Company will determine the term of service of the NRC.

5. COMMITTEE SECRETARY AND MINUTES OF MEETING

- The Company Secretary, or such other person as the Board of the Company may nominate, shall act as Secretary to the Committee (“Secretary”).
- The Secretary to the Committee will be responsible for preparing minutes of the Committee’s meetings. The minutes of the NRC meetings will be tabled and approved at the subsequent meeting and signed off by the members the NRC.

6. MEETINGS & QUORUM

- The NRC shall meet as often as it determines, but not less than one time in a year, or as required undertaking its role effectively. The NRC Chairman will call a meeting of the NRC if so requested by any member of the NRC or the Chairman of the Board.
- The quorum for any such meeting will be a majority of the members.
- The NRC Chairman will chair all regular sessions of the NRC and set the agenda for meetings. In urgent cases, the Secretary of the NRC shall provide the members with an agenda and necessary documentation before a meeting takes place.

- In the absence of the NRC Chairman at a meeting, the remaining members present shall elect one of their members to chair the meeting.
- Members of management and/or parties external to the Company may be invited by the NRC Chairman to attend any meeting of the NRC or part thereof.
- The NRC may request any officer or employee of the Company or the Company's outside counsel to attend a meeting of the NRC or to meet with any members of the NRC.

7. VOTING RIGHTS

- A duly convened meeting of the NRC 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 NRC.
- All decisions of the NRC will be based on a simple majority of the members present at the meeting. In the event of a tie, the concerned matter will be referred to the Board of Directors for a decision.
- Any attendee who is not a member of the NRC may not vote on any matter coming before the NRC for a vote.

8. RESOURCES AND AUTHORITY

- The NRC is authorized to obtain, at the Company's expense, outside advice on any matters within its Charter and in accordance with the Discretionary Authority Limits.
- The NRC is authorized to seek any information it requires from any employee of the Company in order to perform its duties.

9. DUTIES AND RESPONSIBILITIES

- Recommending nominations and re-nominations for the membership of the Board of Directors and Executive Management.
- Establishing a clear policy for the remuneration of the Board members and the Executive Management accompanied with an annual review of the requirements for the appropriate skills, in order to attract applicants seeking to fill executive positions as needed, studying and reviewing these applications, determining the various remunerations that will be granted to the employees, such as fixed remunerations, performance remunerations and remunerations in the form of shares and end of service remunerations.
- Preparing job description for the executive, non-executive and independent members.
- To ensure the independency of the independent member.
- Preparing an annual report that contain overall remunerations in detail that are granted to the Board members and the Executive Management, whether it is was payments or benefits or advantages, whatever its nature or name. The annual report should be submitted to the general assembly for its approval and recited by the Chairman. The Company should follow the accuracy and transparency standards while preparing the report so all necessary details of remunerations are disclosed for the direct and the indirect remuneration and to avoid concealing any information.

At minimum, the Company should disclose the following:

- Remuneration and rewarding systems followed by the Company especially the ones pertinent to the Board and the Executive Management.
- Details of all remunerations given to the Board members and the Executive Management with appropriate analysis for the same.

- The values of the remunerations given to the CEO and the Executive Management of the Company that have received the highest values including the Finance Manager or the one who is discharging the finance manager responsibilities, if not a part of the same.
- Any other direct/ indirect remuneration given by the Company or any of its subsidiaries.
- Any major deviations from the remunerations policy set by the Board.

10. CONFIDENTIALITY

Members of the NRC and other persons who attend these NRC meetings must maintain confidentiality on all documents they receive, on the contents of deliberations and on all confidential information of the Company and its customers, particularly operating and business information that are disclosed to them in the course of their work on the NRC.

11. APPROVAL, UPDATING AND INFORMING PARTIES

- The ultimate responsibility for maintaining and updating this document lies with the NRC.
- This document should be reviewed and approved at regular intervals (at least on a yearly basis) to reflect changes in the business activities or the organization keeping in view the changes to any applicable regulatory requirements.
- This document is to be presented and approved by the Board of Directors.
- Any changes to the document have to be approved by the Board of Directors.
- All relevant and affected parties should be advised of the change as soon as practicable.

12. EFFECTIVE DATE

These rules of procedure are effective as of 01/07/2016