



NOMINATION AND REMUNERATION COMMITTEE CHARTER

1. Introduction	3
2. Purpose	3
3. Composition	3
4. Meetings.....	4
5. Responsibilities.....	5
6. Performance Evaluation	6
7. Disclosure	6
8. Review of the Charter.....	6

1. Introduction

- 1.1 The Board of Directors (the "Board") of KIPCO (the "Company") has delegated the responsibilities, authorities and duties with respect to the (i) determination of appropriate size, functions and needs of the Board and (ii) the identification of individuals who are qualified to become (or be re-elected as) Board members, to the Nomination & Remuneration Committee (the "Committee")

This charter sets out the purpose, authority, composition and responsibilities of the Committee. It shall be approved by the Board.

2. Purpose

- 2.1 The Committee is established with an objective to formulate policy and to make recommendations related to the proposed nominations for positions in the board of directors and the executive management and to set the policies organizing the granting of compensations and bonuses.
- 2.2 To support and advise the Board in fulfilling its responsibility to shareholders, by ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of Directors.

3. Composition

- 3.1 The Nomination and Remuneration Committee shall be structured so that it:
- a) Has at least three members, one of whom is an independent member;
 - b) Is chaired by a Non-Executive director.
- 3.2 The Board shall establish the rules and Charter of the Committee addressing:
- a) Selection of members for the Nominations and Remuneration Committee.
 - b) Tenure of their membership.
 - c) Methods in which it shall operate which will be based upon the recommendation of Board.

- 3.3 The Committee shall nominate a person to be the Committee Secretary.
- 3.4 In the absence of the Committee Chairman, the members shall elect one of the Non-Executive Directors among them as Chairman to be for that meeting.
- 3.5 The Board shall regularly review the membership of the Committee to ensure that undue reliance is not placed on particular individuals.

4. Meetings

- 4.1 The Committee shall meet at least once a year and additionally as required.
- 4.2 Minutes of each meeting of the Committee are to be kept by the Committee Secretary including a report of actions undertaken is to be given at each subsequent Committee meeting. Each Committee minutes should be signed by all the Committee members. The meetings of the Committee shall be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board (as mentioned in the Nomination and Remuneration Policies and Procedures).
- 4.3 The Committee may invite any executive management team members or other individual to attend meetings of the Committee, as they consider appropriate.
- 4.4 A majority of the members of the Committee must be present at all committee meetings and every effort should be made to hold meetings with all members present.
- 4.5 An agenda for the meetings shall be prepared and circulated to all members 3 days before the meeting, along with appropriate briefing materials.
- 4.6 A resolution in writing signed by all members of the Committee (as long as they constitute a quorum) shall be regarded as if it had been passed at a meeting of the Committee duly convened and held.
- 4.7 The Committee has the authority to:
- a) Obtain independent professional or other advice in the fulfillment of its duties at the cost of the Company; and
 - b) Obtain such resources and information from the Company in the fulfillment of its duties as it may reasonably require.

5. Responsibilities

The Committee:

- 5.1 Recommends nominations and re-nominations for the membership of the Board, and of Executive management. Ensures that the persons nominated, fulfill the requirements set out in the regulatory instructions.
- 5.2 Establishing clear policy for the remuneration of the board members (Independent member could be exempted from compensation ceiling based on AGM approval) 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.
- 5.3 Prepares job descriptions for the executive, non-executive and independent members.
- 5.4 Ensure the independency of the independent member.
- 5.5 Prepare annual reports that contain overall remunerations in details that are granted to the board members and the executive management, whether it is 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.
- 5.6 Ensure there is succession planning in place for the Chairman, CEO and other directors.
- 5.7 Review the process and criteria used in assessing the director's ability to commit enough time for discharging their responsibilities.
- 5.8 Assess the mix of competencies, skills, diversity and gaps in the Board.

6. Performance Evaluation

The Committee may from time to time carry out self-appraisal of its performance and its effectiveness when compared against its objectives and duties as set out in its Charter. Such performance evaluation shall also include a review of the adequacy of this Charter and shall recommend to the Board any revisions therein as deemed necessary.

7. Disclosure

At minimum, the Company should disclose the following:

- a. Remuneration and rewarding systems followed by the Company especially the ones pertinent to the Board and the executive management.
- b. Details of all remunerations given to the Board and the executive management with appropriate analysis for the same.
- c. The values of the remunerations given to the CEO and the senior executives of the Company including the Finance Manager or the one who is discharging the finance manager responsibilities.
- d. Any other direct/ indirect remunerations given by the Company or any of its subsidiaries.
- e. Any major deviations from the remunerations policy set by the Board.

8. Review of the Charter

The Committee shall review and assess the adequacy of this Charter on an annual basis and shall recommend changes it deems appropriate to the Board of Directors for approval.