

Board of Directors Performance evaluation

- The company develops systems and mechanisms to evaluate the performance of the Members of a Board of Directors and executive management periodically through developing a set of performance measurement indicators related to the extent of achieving strategic goals of the company, quality of risk management, and sufficiency of internal control systems. In addition, the procedures of performance evaluation and measurement shall be written apparently and transparently and they shall be disclosed for all employees, so the company develops Key Performance Indicators (KPIs), in order to evaluate the Board of Directors as a whole, and the contribution of each Member of the Board of Directors and each committee thereof, in addition to evaluating the performance of executive managers on regular basis (annually), as well as identifying the areas of weaknesses and strengths, and propose to remedy the same in a manner that is consistent with the company's interest, below are some KPIs, for example and without limitation:

1. Qualitative Indicators:

- a. What is the degree of deviation between the company's projected budget and the actual achieved figures?
- b. What is the extent of achieved progress towards the desired goals?
- c. What is the extent of response to correct remarks identified by the Regulatory Bodies?
- d. What is the extent of immediate response to realize problems and the ability to solve them?
- e. What is the turnover rate of employees? To measure the degree of loyalty to the company.
- f. What are received training courses? To what extent they are related to the work?

2. Quantitative Indicators:

- a. Return on average assets.
- b. Return on shareholders' average equity.
- c. Net profit margin.

For Performance evaluation of each Member from Board, they can measure it from the following factors: -

1. Regular attendance of Board meetings and general assembly's meetings.
2. Positive and effective reactions.

3. Proposals Submitting for company development and construction to reach for maximum returns.
4. Proposals Submitting for the development of internal control systems.
5. Commitment to Chairman instructions.

For Performance evaluation of Chairman will be by the following: -

1. Relationship with shareholders.
2. Regular attendance of Board meetings and general assembly's meetings.
3. Transparent replies to the shareholders / members of the Board / auditor or any other party inquiries.
4. Representation of the company in the completion of contracts or dealing with banks/ Government or any other party.
5. Assembly meeting or meetings of the Board of Directors session management style.