C. Performance Management

- Performance management is an ongoing process of communication between a supervisor and an employee that occurs throughout the year, in support of accomplishing the strategic objectives of the organization. The communication process includes clarifying expectations, setting objectives, identifying goals, providing feedback, and reviewing results.
- To create sense of participation amongst the staff, there is need for introduction of fair performance related reward schemes supplemented by better employment conditions and motivation to develop institutional loyalty and dedication.
- Performance management is not only on employees' level, it is set by CMA corporate Governance regulations to be on Board level as well as executive's level.
- Each level in the organisation starting the Board of directors is to be assessed and measured according to Key performance indicators.

Remuneration & Nomination Committee

- It is formed of the Board and consists of at least three board members, including at least one independent member and the committee Chairman must be member of the non-executive members of the Board.
- The key functions of the Committee on the part of remuneration include but are not limited to :
    1. Setting apparent policy for members of a Board of Directors and executive management member's remunerations, along with annual review of the required proper skills needs for Board membership. This in addition to importing applications for executive positions as required, studying and revising the application and determining various remuneration categories to be provided for employees such as fixed, performance-based, share-like and end pf services remuneration categories.
    2. Preparing detailed annual report for all remuneration given to members of a Board of Directors and executive management members, whether cash or benefits or privileges, of whatever nature and title. However,

this report shall be referred to the general assembly for approval and to be read by the Board Chairman.

Key Features of Remuneration Policy

Based on the best practices, the remuneration policy of an organization should set out the basis for the remuneration of all staff and should be aligned with the organization's long-term performance and risk as well as regulatory requirements. The policy should reflect an organization's objective, taking into consideration the soundness of the organization's operations and financial position.

The key elements of remuneration policy have been outlined below:

Objective

- Incorporate all aspects and components of financial remunerations;
- Align with company's strategic objectives, enforce effective risk management and promote sustained profitability;
- Maintain highly qualified, skilled and knowledgeable professionals required for performing the business;
- Be aligned to the financial performance and risk profile of the organization;
- Maintain sound remuneration governance, disclosure and transparency; and
- Be in compliance with regulatory requirements.

Governance

- Remuneration policy should be reviewed by board remuneration committee and approved by the board on an annual basis.
- The board can engage the services of external consultants or an internal audit of the organization to identify the gabs within the remuneration process.
- Risk management should be involved in setting up the risk parameters for assessing the performance of the executive management.
- The roles and responsibilities of all key stakeholders should be clearly defined, including the board, board remuneration committee, risk management, internal audit and human resources division.

The remuneration policy will be discussed in details in a separate manual.