

**OASIS CAPITAL BANK B.S.C.(c)
NOMINATION AND COMPENSATION
COMMITTEE CHARTER
8 August 2011**

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1. Mission

- 1.1 The Nomination and Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Oasis Capital Bank (“the Bank”) to assist the Board in discharging its oversight duties relating to:
 - 1.1.1 Identifying individuals qualified to become Board members, the CEO and certain members of senior management, and recommending to the Board the Director nominees;
 - 1.1.2 Providing a formal and transparent procedure for developing a remuneration policy for the Board Chairman, Directors, the CEO and senior management; and
 - 1.1.3 Ensuring that compensation offered is competitive, in line with the market/peer group and consistent with the responsibilities assigned.
- 1.2 It leads the Board in its annual review of the Board’s performance and recommends to the Board, Director candidates for each committee for appointment by the Board.
- 1.3 The Committee shall recommend to the Board for approval, the remuneration policy and compensation plans, which attract, retain and motivate high calibre employees and are not excessive to the extent that shareholders’ interests are compromised.
- 1.4 The Committee shall take a leadership role in shaping corporate governance policies and practices, including recommending to the Board governance policies applicable to the Bank and monitoring management’s compliance with these policies. The Committee shall review the adequacy of the Bank’s Corporate Governance processes, while the Audit Committee shall be responsible for reviewing compliance with the same.
- 1.5 The Committee shall evaluate the skills and expertise of the directors and recommend training accordingly. It also devises, with the CEO, the succession plan for the Board and senior executives, specifically, the CEO and senior management.

2. Authority

- 2.1 The Board authorises the Committee within the scope of its responsibilities to:
 - 2.1.1 Perform activities within the scope of its charter.
 - 2.1.2 Engage independent counsel and other advisors, as it deems necessary to carry out its duties, provided such engagements are justifiable.

3. Membership

- 3.1 The Board shall appoint members of the Committee. All members of the Committee shall be independent directors of the Bank¹ and it shall consist of not less than three members. The chairman of the Committee must be an independent director.
- 3.2 Appointments to the Committee shall be for a period of up to three years, which may be extended subject to renewal of the term of office of the relevant Board member.
- 3.3 The members of the Committee and its Chairman shall be appointed by, and may be removed by, the Board. In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting.

4. Secretary

- 4.1 The Board Secretary or his/her nominee shall act as the Secretary of the Committee. In the absence of the Board Secretary the Chairman shall appoint another appropriate senior management staff member, to be the Secretary.

5. Quorum

- 5.1 Only members of the Committee shall be entitled to attend Committee meetings. However, members of management and other specialists may be invited to attend meetings at the request of the Committee.
- 5.2 A meeting of the Committee will not be valid unless attended by not less than two members. However, members of the Committee may also convene a meeting through a conference call.
- 5.3 A duly convened meeting of the Committee 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 Committee as specifically delegated by the Board.
- 5.4 The Chairman is responsible for maintaining the quorum of the Committee's meetings.

¹ CBB RB HC 1.8.2, 4.2.2, 5.3.2

6. Decisions

- 6.1 The Committee's decisions shall be considered by a vote of the majority of the attending members. In case of equality of votes, the Chairman of the Committee shall have the casting vote.
- 6.2 Decisions of the Committee may be made through circulation. In all such cases:
 - 6.2.1 The Secretary of the Committee shall ensure and confirm circulation of necessary information and documentation.
 - 6.2.2 A decision through circulation will not be valid unless approved by all the responding members unanimously. In case of disagreement, even by a single member, a meeting of the Committee shall be called by the Secretary. In such an instance the guidelines given in Section 6.1 of this charter shall be applicable.

7. Meetings

- 7.1 Meetings shall be held at least twice a year at the request of any of its members. Meetings of the Committee will preferably be held prior to meetings of the full Board.

8. Notice of Meetings

- 8.1 Meetings of the Committee shall be summoned by the Board Secretary at the request of any of its members.
- 8.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, and any other person required to attend, and all other directors no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

9. Minutes of Meetings

- 9.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance and names of absentees.
- 9.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 9.3 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.
- 9.4 Minutes of Committee meetings shall be made available in English.
- 9.5 Where decisions are made through circulation, details will be included in the minutes of the Committee meeting immediately following the decision.

10. Responsibilities

The Committee shall carry out the duties listed below:

10.1 Policies and Corporate Governance

- 10.1.1 Review and assess the adequacy of the Bank's policies and practices on corporate governance including the governance policies of the Bank and recommend any proposed changes to the Board for approval.
- 10.1.2 Review the adequacy of the policies adopted by each committee of the Board, and recommend changes as necessary.
- 10.1.3 The Committee shall periodically assess and document, whether the corporate governance processes that it has implemented have successfully achieved their objectives and consequently confirm whether the Board itself is fulfilling its own responsibilities.
- 10.1.4 The Committee shall also identify any material deficiencies and problems in the corporate governance processes and draw up action plans and timetables for their correction.
- 10.1.5 Develop appropriate criteria, in accordance with the definition of "Independent Director" in the Central Bank of Bahrain Rulebook, Volume 1, and make recommendations to the Board regarding the independence of Directors.

10.2 Nomination

10.2.1 Nomination, appointment and Board composition

- Ensure a formal and transparent Board nomination process is in place.
- Before appointment is made by the Board, evaluate the balance of skills, knowledge and experience of existing Board members, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position. The Committee shall also consider candidates from a wide range of backgrounds.
- Be responsible for identifying and nominating candidates to fill Board vacancies as and when they arise. Such nominations shall be approved by the Board.
- Ensure that on appointment to the Board, all Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings.
- Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes.
- Oversee the Board's corporate governance training and development activities.

10.2.2 Succession Planning and Evaluation

- Give full consideration to succession planning for Directors (in particular the Chairman and the CEO) and other senior management (such as people who report directly to the CEO). In the course of its work, take into account the challenges and opportunities facing the Bank and identify the skills and expertise needed on the Board in the future.
- Ensure effective policies and processes are in place for ensuring that senior management have the necessary integrity, technical and managerial competence and experience. Recommend to the Board the number, identity and responsibilities of Board committees and the Chair and members of each committee. This shall include advising the Board on committee appointments, removal from committees or from the Board, rotation of committee members and Chairs and committee structure and operations.

10.2.3 Performance Review and Assessment

- Ensure effective policies and processes are in place to review the leadership needs of the Bank, both executive and non-executive, with a view to ensuring the continued ability of the Bank to compete effectively in the marketplace.
- Periodically review the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.

- Report annually to the Board with an assessment of the Board's performance.
- Ensure effective policies and processes are in place for effective monitoring and making annual formal evaluations of senior management's performance in implementing agreed strategy and business plans.
- Monitor the orientation and continuing education programs for Directors and based on it recommend to the Board relevant training for the Directors.

10.3 Remuneration

- 10.3.1 Determine and agree with the Board the framework or broad policy for the remuneration of the Directors, the CEO and senior management.
- 10.3.2 In determining such policy, take into account all factors which it deems necessary. The policy shall be formulated to ensure that directors and members of the senior management of the Bank are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Bank.
- 10.3.3 Review the remuneration and incentive packages of members of the Board and the CEO to ensure that such packages are consistent with the corporate values and strategy of the Bank.
- 10.3.4 Ensure effective policies and processes are in place to review the remuneration and incentive packages of senior management (such as the direct reports to the CEO) on an annual basis, to ensure that such packages are consistent with the corporate values and strategy of the Bank.
- 10.3.5 Approve the design of, and determine targets for, any performance related pay schemes operated by the Bank and approve the total annual payments made under such schemes.
- 10.3.6 Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to Directors and senior management and performance targets to be used.
- 10.3.7 Within the terms of the agreed policy and in consultation with the Chairman, present to the Board the total individual remuneration package of each Director, and the CEO. However, the total individual remuneration package of senior management shall be recommended, to the Board, in consultation with the Chairman and/or the CEO.
- 10.3.8 Determine the policy for the disclosure of Directors' remuneration.
- 10.3.9 Ensure effective policies and processes are in place to ensure that contractual terms on termination, and any payments made, are fair to the individual and the Bank.
- 10.3.10 Ensure remuneration policies do not result in failure or misconduct being rewarded.

- 10.3.11 Within the terms of the agreed policy and in consultation with the Chairman and/or CEO as appropriate, determine the total individual remuneration package of each Executive Director including bonuses, incentive payments and share options or other share awards.
 - 10.3.12 In determining such packages and arrangements, give due regard to any relevant legal requirements.
 - 10.3.13 Review and note annually the remuneration trends across the Bank.
 - 10.3.14 Agree the policy for authorising claims for expenses from the CEO, Chairman of the Board and Directors.
 - 10.3.15 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 10.4 Other responsibilities
- 10.4.1 Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.

11. Reporting Responsibilities

- 11.1 The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its ambit where action or improvement is needed.

12. Other Matters

- 12.1 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 12.2 Give due consideration to laws and regulations.
- 12.3 At least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

