

## OFFICIAL ANNOUNCEMENT

### Performance Management System Policy

**Department:** Human Resources

**Date:** 02/25/2026

**Effective Period:** Jan 1<sup>st</sup>, 2026, to December 31<sup>st</sup>, 2026.

**Issued By:** Chief Human Resources Officer

#### Purpose

The purpose of this policy is to enhance effectiveness by enabling employees to perform to the best of their abilities, recognizing and rewarding performance, and identifying appropriate learning and development initiatives through a structured, organization-wide Performance Management System (PMS).

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#### Scope

This policy applies to all employees of Tivoli Group and defines the principles and framework for managing employee performance, including performance appraisal, promotion decisions, and training and development initiatives.

#### Performance Management

The Human Resources Department at Tivoli Group is committed to improving organizational effectiveness by supporting employees in achieving optimal performance. This includes recognizing employee contributions and identifying relevant learning and development initiatives to enhance individual capabilities. These processes are implemented through a structured, organization-wide framework that promotes continuous development and performance excellence. The objectives of the performance management policy are:

1. To establish a structured governance framework for the annual performance review process.
2. To define clear performance expectations by setting measurable Key Performance Indicators (KPIs).
3. To ensure promotional decisions are based on a fair and objective assessment of employee performance.

#### Key Components of the Performance Management System

1. The key components of the Performance Management System (PMS) are as follows:
2. The performance year shall run from January 1 to December 31 of each year.
3. The Human Resources Department shall be responsible for the overall administration of the Performance Management System.
4. Line Managers should ensure that employee goals and (KPIs) are aligned with job descriptions and departmental objectives.
5. All permanent employees with a minimum of six (6) months of continuous service shall be eligible to participate in the formal annual appraisal cycle.
6. Employees who are within their probation period shall undergo a separate probation evaluation process.
7. If employee is transferred from one department to another during the performance year, the performance appraisal shall be conducted jointly by the heads of the previous and the new departments, in proportion to the period the employee served in each department.

#### Performance Assessment Criteria

Employee performance will be assessed based on the following criteria:

1. Achievement of results against agreed performance goals and KPIs.
2. Demonstration of required behavioral and technical competencies relevant to the role.





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### **Goal Setting**

The goal-setting process shall commence annually during the first week of January till end of February.

1. All employees are required to set their performance goals in consultation with their line managers within the stipulated timeframe. These goals must follow the SMART principles.
2. Employees who join Tivoli Group during the performance cycle must complete their goal setting for the remaining period of the year, in consultation with their line managers, within two (2) weeks of joining.
3. Employees and line managers who fail to submit SMART goals within the specified timeframe will not be considered for promotion decisions for that performance cycle.
4. Once approved, goals should remain unchanged during the performance year, unless exceptional circumstances require revision and approval from the relevant line manager.
5. Employees are encouraged to regularly seek feedback from their reporting managers throughout the year to review progress against their goals and discuss any support required to achieve them.

### **Year-End Performance Review**

1. At the end of each performance year, line managers shall conduct a formal performance appraisal for each of their direct reports. The evaluation will be based on the employee's performance against the agreed goals and Key Performance Indicators (KPIs).
2. Employees will be required to complete a self-assessment at the end of the performance year. As part of the self-review, employees shall provide a self-rating supported by relevant examples and achievements.
3. Line managers shall conduct a performance feedback discussion with their employees to review performance against the agreed goals, acknowledge strengths, and identify areas for development.
4. Training and development needs shall also be identified and discussed during the performance review meeting.
5. Following the performance discussion, the line manager shall assign a final performance rating based on the overall evaluation of the employee's performance and the inputs gathered during the discussion.
6. In case of any discrepancies in ratings, a Performance Normalization Committee may be formed by the Chief Human Resources Officer, with representation from all divisions.
7. The ratings finalized by the Normalization Committee shall be considered final and binding. No further changes shall be permitted thereafter.
8. The final performance rating will serve as a key input for promotion decisions, salary increments, and or bonus calculations.

### **Promotion Criteria**

The following indicative criteria shall be considered when evaluating employee promotions:

1. Availability of a vacancy in the next higher position.
2. Suitability for the new role based on educational qualifications and career path requirements defined for the position.

### **Employee Promotions**

Human Resources at Tivoli Group promotes a performance-driven culture that supports the achievement of its strategic objectives. As part of this approach, employees may be recognized and rewarded through promotion based on demonstrated performance, capability, and organizational needs.

1. Employees may be promoted to positions with higher levels of responsibility where suitable vacancies exist and where the employee has demonstrated a strong and consistent performance record, as reflected in the Performance Management System.
2. Promotions should be considered only after the completion of the annual performance management cycle, and any approved promotion will become effective at the beginning of the following year.
3. Employees who are promoted from one grade to another shall receive at least the minimum salary applicable to the new grade. However, the revised salary shall not be lower than the employee's current salary. In cases where the employee's existing salary is already higher than the minimum salary of the new grade, only a merit increase may be applied together with the change in designation.
4. Promotion recommendations shall be initiated by the employee's Line Manager, reviewed and endorsed by the Chief Human Resources Officer (CHRO) to ensure compliance with the established criteria, and approved by the Chief Executive Officer (CEO).

### **Total years of relevant work experience.**

1. A minimum of one (1) year of service with Tivoli Group.
2. A clean disciplinary record for at least the last two (2) years.
3. Completion of the minimum training requirements prescribed for the next role.
4. Assessment of the financial impact of the promotion on the organization.

### **Merit Increments**

Eligibility for merit increment will be based exclusively on performance evaluation. Employees who fail to set SMART goals at the beginning of the year will not qualify for any increment/promotion decision at the end of the year.

### **Performance Management System:**

The Performance Management System (PMS) is designed to ensure clear goal-setting, continuous performance tracking, and fair appraisal. The PMS is structured into three phases each year:

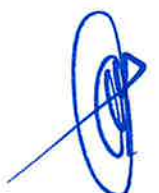
#### Phase One: SMART Goals

Objective: Set clear, measurable, and achievable goals for the year.

Timeline: January 1 – February 28

#### Details:

1. Employees are required to define SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals.
2. Goals must be approved by the respective manager.
3. Employees who fail to set SMART goals will not be eligible for recognition programs or performance-based incentives.





#### Phase Two: Performance Review

Objective: Monitor and evaluate ongoing performance against set goals.

Timeline: March 1 – November 30

#### Details:

1. Managers provide feedback and track progress periodically.
2. Mid-year check-ins may be conducted to ensure goals remain relevant and achievable.
3. Continuous documentation of performance is required to support final appraisal. A

#### Phase Three: Performance Appraisal

Objective: Conduct final evaluation and determine development plans.

Timeline: December 1 – December 31

#### Details:

1. Comprehensive appraisal assessment of employee performance based technical and behavioral competencies.
2. Performance ratings will influence recognition programs.
3. Feedback and development plans are communicated to employees to guide the next year's goals.

### **Employee Development and Training Assignment**

The Human Resources Department at Tivoli Group is committed to providing a structured employee development plan aimed at enhancing both performance and career growth.

As part of this policy, line managers are required to select a minimum of four (4) training courses for each employee in their team from the training library available in the system.

Once the training courses are selected, the system will automatically notify employees via email, providing details of their training schedule for the upcoming year, including dates, locations, and other relevant information.

The mode of training internal or external shall be determined during the preparation of the annual training calendar to assess budgetary implications and resource requirements. For outsourced or external training programs, the selection of training vendors must be completed prior to the administration of training within the year.

#### **Training and development plan**

The Chief Human Resources Officer shall submit the finalized training plan and calendar to the Chief Executive Officer for approval before implementation.

#### **Implementation of Training Programs**

The Human Resources Department is primarily responsible for the implementation of the annual training plan for all employees.

It is the responsibility of each department to ensure that employees are available to attend scheduled training programs. If a Line Manager decides that an employee should not attend a scheduled training program, a formal notification must be submitted to HR at least fifteen (15) working days prior to the program's scheduled date.

Any unplanned or ad hoc training programs must receive special approval from the Chief Human Resources Officer and Chief Executive Officer before implementation.





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### **Monitoring and Policy Review**

Tivoli Group encourages a culture of performance, accountability, and continuous improvement. Employees who consistently demonstrate strong performance, initiative, and meaningful contribution to the company's objectives may be considered for salary increments and/or career advancement opportunities through the Performance Management process.

While the Company aims to recognize and reward high-performing employees, any salary increment or promotion will be subject to business performance, financial conditions, company needs, and final management approval. Therefore, such adjustments cannot be guaranteed and may be revised, deferred, or cancelled if business circumstances require.

Sincerely yours,

Anwar Ghaida  
Chief Human Resources Officer