



# REMUNERATION COMMITTEE CHARTER

REMUNERATION COMMITTEE

Fahi Dhiriulhun Corporation

25<sup>th</sup> October 2022: Version 1.0

# REMUNERATION COMMITTEE CHARTER

## I. INTRODUCTION

The Remuneration Committee assists the board to ensure that appropriate structure and size is attained and maintained in the organization, as well as ensuring that suitable remuneration packages are offered to attract and retain the right skill required to achieve corporate objectives without compromising shareholders' interest.

## II. BACKGROUND

The Remuneration Committee was established on 19th August 2019. This charter will govern the work of the committee. It was last reviewed on 11<sup>th</sup> February 2020.

## III. PURPOSE

The purpose of the Remuneration Committee is as follows;

- Assist the board to adapt and retain an appropriate structure for the corporation
- Assist the board in acquiring and retaining necessary skill sets to achieve corporate objectives.
- Assist the board in formulating HR growth strategy and succession planning
- Assist the board in determining and reviewing the remuneration policy which motivates and retains employees while ensuring shareholders' interest. This includes fixed components and performance linked incentives.
- Assist in formulating remuneration for service contracts and severance payments
- Make recommendations to the board on all and any of the areas listed above.

## IV. COMPOSITION

Remuneration Committee must comprise of 3 members

## V. MANDATE

The mandate for the establishment of the Remuneration Committee was derived from the Corporate Governance Code of PCB, established pursuant to Privatization and corporatization Act 3/2013.

## **VI. AUTHORITY**

- The Remuneration Committee charter sets out the authority of the Remuneration Committee to carry out the responsibilities established for it by the board as articulated within the Remuneration Committee charter.
- The Remuneration Committee has the right to request documents, reports and to request relevant information from senior management and employees that is necessary to discharge its duties.
- The Remuneration Committee can invite senior management and employees to the committee and seek explanations and clarifications on matters relevant to execute its duties
- The Remuneration Committee may engage independent counsel and/or other advisors it deems necessary to carry out its duties.
- The Remuneration Committee has the right to perform any other duties required by the Board that fall within the scope of authority of the committee.

## **VII. RESPONSIBILITIES**

It is the responsibility of the Remuneration Committee to provide the board with independent, objective advice with respect to committee mandate.

## **VIII. COMPOSITION OF THE REMUNERATION COMMITTEE**

The committee will consist of three directors where the majority is non-executive directors. The committee must be chaired by a non-executive director.

## **IX. THE CHAIR OF THE REMUNERATION COMMITTEE**

The board will designate the chair of the Remuneration Committee in accordance with the Corporate Governance Code of PCB, established pursuant to Privatization and corporatization Act 3/2013.

## **X. TERMS OF OFFICE**

The term of office for The Remuneration Committee member is three years. Continuance of Remuneration Committee members shall be reviewed annually.

## **XI. QUORUM**

The quorum for the Remuneration Committee shall be the majority of the members.

## **XII. Work plan of the Remuneration Committee**

The Remuneration Committee chair will collaborate with senior management to establish a work plan to ensure that the responsibilities of the Remuneration Committee are scheduled and will be carried out.

In case of urgent meetings, the committee members may unanimously agree to waive the notice period.

### **XIII. OPERATIONAL PROCEDURES**

#### **Meeting agenda**

- Agenda preparation and supporting documents will be prepared and circulated by the Secretary in consultation with the Chairperson.
- Members of the Committee may suggest agenda items for the meetings to the Chairperson.
- The agenda and supporting agenda papers are to be distributed at least 24 hours prior to each meeting.

#### **Meetings**

The Remuneration Committee shall meet at least once every 3 months.

#### **Minutes**

Minutes will be prepared, and draft should be circulated within 2 weeks of meeting. Minutes shall be adopted in the following Remuneration Committee meeting.

#### **Secretariat services**

The Company Secretary shall facilitate the secretariat services to the committee.