



Tanmiah Food Company

**Nomination and Remuneration
Committee Charter**

Effective – June 2023

© Copyrights - Tanmiah Food Company - TFC:

This document is prepared and owned by Tanmiah Food Company – TFC for the use of the organization. The content, format, policies, and procedures mentioned in this document are the proprietary information of Tanmiah Food Company - TFC and may not be distributed, disclosed, published, copied, or reproduced in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written approval of Tanmiah Food Company - TFC.

DOCUMENT CONTROL & APPROVAL

DOCUMENT CONTROL

Department	Document Title	Document Type
Compliance Department	Nomination and Remuneration Committee Charter	Charter

DOCUMENT APPROVAL\AUTHORITY REFERENCE

VERSION	APPROVED BY NAME & DESIGNATION	DATE
2.0	Nomination and Remuneration Committee	February 2023
2.0	Board of Directors	February 2023
2.0	General Assembly	June 2023

APPROVAL RECORD

VERSION	APPROVAL DATE	DESCRIPTION
1.0	April 2019	New Policy
2.0	June 2023	Comprehensive review to incorporate regulatory requirements and updates.

Contents

Introduction:.....	4
Committee Formation:	4
Nomination and Remuneration Committee Structure	4
Rules of Selecting the Members and Means of Nomination:	4
Committee Term:	4
Competencies of the Nomination and Remuneration Committee:	5
Responsibilities of the Nomination and Remuneration Committee:	6
The Committee Meetings:.....	6
Committee's Compensation and Remunerations:	7
General Provisions	8

Introduction:

Tanmiah Food Company seeks to implement the Corporate Governance Regulations issued by the Capital Market Authority in the Kingdom of Saudi Arabia in addition to the Company's Governance Charters issued by the Board of Directors to ensure the company's activities are consistent with the best governance practices. This being the case, the Board of Directors has prepared and approved this Nomination and Remuneration Charter.

The Nomination and Remuneration Committee shall carry out the duties stated in this Charter according to The Corporate Governance Regulations issued by the Capital Market Authority, Saudi Companies Law, its implementing regulations, the company's bylaw, Articles of Association, and the related circulars to ensure the Company's activities are aligned with the best practices in the field in proportion with the company's operations.

The Nomination and Remuneration Committee Charter shall carry out the duties stated in this Charter. This Charter shall state the Committee's scope of work, structure and mandates, To ensure Company's alignment with best practices in corporate governance, the Committee shall periodically review this charter, and submit its recommendations to the Board of Directors) for approval, and the Board shall raise amendments to this charter to the General Assembly for passing such as per applicable rules and regulations. The Board shall assess the Committee performance on a regular basis and submit any recommendation for improving the Committee's performance.

Committee Formation:

The Nomination and Remuneration committee shall be formed by a resolution of the board of directors, and the members of the Nomination and Remuneration committee shall be from the shareholders or others. The Company's General Assembly shall ratify the Nomination and Remuneration committee charter upon a recommendation of the Board.

Nomination and Remuneration Committee Structure

- o The committee shall include at least one Independent Director.
- o Executive Directors shall not be appointed as Members in the committee.
- o Chairman shall not be appointed as Members in the committee.
- o The Committee shall appoint a Secretary-among its members or a third party- to maintain the records and resolutions. If the Secretary is third party shall not be entitled to vote.

Rules of Selecting the Members and Means of Nomination:

- The Committee members are prohibited from doing any Executive work in the Company.
- The Committee Members shall perform their duties with fairness, integrity, honesty, objectivity, independence, competency, and professional conduct, have no personal interest, and shall not let their decisions get affected by others' opinions.
- Does not participate directly or indirectly in any activity that is considered dishonorable and dishonest.

Committee Term:

- The enactment date of the Committee is the formation date and shall end on the expiry of the Board's term. The Committee's term must be consistent with the duration of the Board's tenure.
- The Nomination and Remuneration Committee's term shall not exceed the term of the membership of the Board. The membership of the Nomination and Remuneration Committee member, if a Director, shall come to an end at the expiry of the membership of the Board or by

voluntary resignation from the Nomination and Remuneration Committee. Non-Director membership will cease by resignation or at the end of the Committee's term.

- The Board can dismiss all/any Committee members when the member(s) disclose the company's confidential information they are privy to outside the meetings of the general assembly.
- The Board can dismiss all/any Committee's members when the member(s) use the information they have access to due to their membership to gain personal interest for themselves, their relatives, or others.
- Committee members may resign by delivering a written notice to the Board Committee Chairman. Such resignation shall become effective as of the date of delivering the said notice unless the notice specifies a later time for the resignation to be effective.
- In case a vacancy is available, for any reason, the Board shall have the authority to appoint a new member – according to the NRC recommendation - for the vacant seat.

Competencies of the Nomination and Remuneration Committee:

The Nomination and Remuneration committee shall be competent in any assigned competencies by the board, submit its recommendations to the Board, and shall maintain channels of direct communication with the Board. The Committee shall not amend any resolution issued by the Board. The Committee's Competencies shall be as per the relevant laws and regulations as follows:

a. Nomination:

1. Suggesting clear policies and standards for membership of the Board and the Executive Management.
2. Providing recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, considering that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
3. Preparing a description of the capabilities and qualifications required for membership of the Board and Executive Management positions.
4. Determining the amount of time that the member shall allocate to the activities of the Board.
5. Annually reviewing the skills and expertise required of the Board members and the Executive Management.
6. Reviewing the structure of the Board and the Executive Management and providing recommendations regarding changes that may be made to such structure.
7. Annually ensuring the independence of Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board of directors of another company.
8. Providing job descriptions for the Executive, Non-Executive and Independent Directors and the Senior Executive Management.
9. Setting procedures to be followed if the position of a member of the Board or a Senior Executive becomes vacant; and
10. Determining the strengths and weaknesses of the Board and recommending remedy solutions that serve the Company's interests.

b. Remuneration:

1. Preparing a clear policy for the remunerations of the Board members and its committees and the Executive Management, and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that linked to performance, and disclosing and ensuring the implementation of such policy.

2. Clarifying the relation between the paid remunerations and the adopted remuneration policy and highlighting any material deviation from that policy.
3. Periodically reviewing the remuneration policy and assessing its effectiveness in achieving its objectives; and
4. Providing recommendations to the Board in respect of the remunerations of its members, the committees members and Senior Executives, in accordance with the approved policy.

Responsibilities of the Nomination and Remuneration Committee:

Committee Members' Responsibilities:

1. Commitment to attending Committees' meetings and effectively participating in its activities and notify the Committee Chairman in his absence of one of the meetings.
2. Maintain Company's secrets and the Committee's members shall not disclose to the shareholders, in other than the General Assembly, or others, the secrets he discovered from doing the job or else he shall be relieved from duties, as well as the demand for compensation for any damages may have occurred.
3. Each member of the committee shall comply with the principles of truthfulness, honesty, loyalty, and care of the interests of the Company and its shareholders and prioritize their interests over his/her personal interests.
4. Members of the committee shall not accept gifts from any person who has entered commercial transactions with the Company if such acceptance of gifts may lead to a conflict of interest.
5. The chairmen or whom he delegates of the committee members, shall attend the General Assembly Meetings, and answer any questions raised by the shareholders.
6. Disclose to the committee, if any conflicts of the Conditions for the Membership of the committee stipulated in this charter occurred.
7. A Committee member shall notify the Committee about any direct or indirect interest in topics before the committee, the activities, and contracts that are undergone for the Company's account. Such notification shall be included in the minutes of the meeting. A member who has an interest shall not be entitled to vote on the resolution to be adopted in this regard.

Committee Secretary's Responsibilities:

1. Documenting the Committee meeting minutes for each meeting, which shall include the date of the meeting, place, means of communication, the names of the attendees, a summary of discussions, and recommendations, including decisions and resolutions.
2. Retaining the full records of the committee's meetings to submit the committee performance report to the Board of directors.
3. Circulate the committee's resolutions to the related parties.
4. Establish a mechanism to track and follow up on the Committee's resolutions.

The Committee Meetings:

Meeting Invitation:

1. The Nomination and Remuneration committee shall convene periodically, provided that at least two meetings are held during the Company's fiscal year.
2. The Committee may hold its meetings through contemporary technologies, via videoconference, or any other similar means. A member's attendance shall be considered as if he attended to meet the quorum and cast his vote, the meeting shall be valid when the validity terms – such as Quorum and voting- are applied.

Quorum and Voting:

- Committee meetings are valid if attended by a majority of its members.

- Resolutions of the committees shall be issued by a majority of the votes present and, in case of a tie, the chairman of the relevant committee shall have the casting vote.
- In case of the absence of the chairman, a designated member appointed by the chairman shall be heading the committee meetings.
- The Committee may issue resolutions and recommendations by circulation unless such resolutions shall be valid if approved by the majority. Such resolution or recommendation shall be presented to the Board at the following meeting.

- **Meeting Agenda:**

The Secretary of the Committee shall be responsible for drafting the meetings' agendas and sending a meeting invitation to the members attaching with it the agenda and all related documents.

- **Minutes of Meeting:**

- Committee minutes of meetings shall be documented and prepared and shall include the discussions and deliberations carried during such meetings and recording the decisions of the committee and voting results and retaining them in a special and organized register and including the names of the attendees and any reservations they expressed (if any), Such minutes shall be signed by all of the attending members.
- The Committee Secretary shall prepare and send to the Committee members the first draft of the Minutes of the meeting within seven business days for their comments, committee members shall submit their feedback and remarks within seven days.
- The Committee Secretary shall prepare the final version of the minutes, which shall be signed by all attending members and the Committee Secretary initials.
- The signed copy of the minutes shall be kept attached with its related documents, attachments, and correspondence in a special file, for ten years.
- The minutes shall be confidential and only accessible to the board of directors, otherwise upon request and approval by the committee.

- **Invitees:**

- Only Committee members can attend its meetings. The Committee, however, may invite other persons to attend any of its meetings or a part thereof as necessary, and those invitees shall not be entitled to vote at such meetings on any decision the Committee takes thereon.
- Invitees may not take part in any discussion related to their appointment, benefits, terminating their services, or any other matter related to them unless the Committee has invited them to discuss such matters specifically with them.
- No member of the Board or the Executive Management except the secretary or a member of the committee may attend the meetings of a committee unless such committee requests his/her opinion or advice.
- Committee members and other persons invited to the meetings shall maintain confidentiality of such meetings, the documents and information shared with them, the contents of its discussions, and reviewing of documents of which the attendees become aware of.

Committee's Compensation and Remunerations:

- Each Committee member shall be given annual rewards, attendance allowance, and other allowances as provided for in the remuneration policy of Board of Directors, and Board Committees Members.
- The Committee members shall be eligible for compensation for the expenses they experience in attending Committee meetings from their places of residence to the Company head office, or to the place where the meetings are held, in addition to any other costs related to accommodation and transportation in accordance with the Company related policy.

General Provisions

1. This charter shall be effective as of the date of its ratification from the General Assembly, no articles of this Charter shall be amended, omitted, or added without the General Assembly's approval.
2. This Charter shall be complementary to Tanmiah incorporation Document, Tanmiah Governance Document, and other related laws.
3. This Policy shall supersede and replace any decisions not consistent with it.
4. Any topics not covered in this document, must follow the regulations issued by the competent authorities.
5. Any topics not covered in this document, must follow the related laws and regulations issued by the competent authorities.
6. In case of any conflict in this charter with applicable laws or regulations, the provisions of the laws shall have supremacy, and the other articles shall remain valid and applicable.
7. This Charter shall not be considered a substitute for the applicable laws and regulations. However, it shall be considered complementary to the company's bylaws, Governance Manual, and other related documents.
8. The Charter shall be reviewed periodically or when required. Governance department is responsible for ensuring that this document is reviewed and approved as per the laws.
9. This Charter shall supersede and replace any decisions not consistent with it.
10. This Charter has been drafted in English and Arabic. In case of any conflict hereunder, the Arabic shall have supremacy.