



TOTAL

BOARD REMUNERATION POLICY

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1. INTRODUCTION

A Good Board Remuneration Policy should reflect the interests of the shareholders and the Company, taking into consideration any specific matters, including the assignments and the responsibility undertaken.

2. PURPOSE

- 2.1 The Total Kenya PLC Board Remuneration policy helps the Company to promote long-term goals for safeguarding the Company's interests by rewarding the Board Members for the effort they put in steering the Company towards achieving its set targets and increasing the Shareholders' Value.
- 2.2 Best practice requires that the remuneration of the Board of Directors should take into consideration the Board members' required competencies, effort and the scope of the board work, including the number of meetings.
- 2.3 This policy outlines the remuneration guidelines that the Company has applied to remunerate Executive, Non-Executive Directors and Independent Directors. The definitions of the Directors shall apply as follows:-
 - a) **Executive Director (ED)** – A member of the Board who is also an employee of the Company and has management responsibilities in the Company.
 - b) **Non-Executive Director (NED)** – A member of the Board without responsibilities for daily management or operations of the Company and she/he is not an independent director as defined below.
 - c) **Independent Director (ID)** – A member of the Board who:
 - Has not served as a director of the Company for more than nine years consecutively;
 - Has not been employed by the Company in an executive capacity within the last three years;
 - Does not have material or pecuniary relationship with the Company or related persons;
 - Is not employed by a public listed company at which an executive officer of the Company serves as a director;
 - Does not hold cross-directorships or significant links with other directors through involvement in other companies or bodies; and
 - Does not have a direct or indirect interest in the Company which is either material to the director or to the Company.
- 2.4 This policy will apply for three years from that date and should any changes be made to the policy, they will be subject to a reasoned rationale and consultation with major shareholders before being submitted to shareholders for approval.

3. GENERAL GUIDELINES AND PROCEDURES FOR REMUNERATING BOARD

- 3.1 The policy has been developed in accordance with the relevant provisions of the Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 and the requirements of the Kenyan Companies Act, 2015 and the Companies (General) (Amendments) (No.2) Regulations, 2017.

- 3.2 The Articles of Association of the Company states that:-
 - Directors' remuneration may be determined only by the Company at a general meeting.
 - A director's remuneration may take any form; and include any arrangements in connection with the payment of a retirement benefit to or in respect of that director.
 - Directors' remuneration accrues from day to day.
 - On Directors' expenses the Company may pay any travelling, accommodation and other expenses properly incurred by directors in connection with their attendance at meetings of directors or committees of directors; general meetings; or separate meetings of the holders of any class of shares or of debentures of the Company; or when they exercise of their powers and the discharge of their responsibilities in relation to the Company.
- 3.3 The Board Charter stipulates that:-
 - The Board shall establish and approve formal and transparent remuneration policies and procedures that attract and retain Board members.
 - Develop appropriate staffing and remuneration policy including the appointment of the Managing Director and the senior staff, particularly the Finance Director, operations Director and the Company Secretary as may be applicable.
- 3.4 The Board of Directors has assigned the Board Nomination and Remuneration Committee the mandate of reviewing the Remuneration Policy of the Board members and recommending to the Board for approval the remuneration structure of the Non-Executive Directors on an annual basis to ensure that remuneration of Non-Executive Directors shall be competitive and in line with remuneration for other Non-Executive Directors in the same industry.
- 3.5 The remuneration policy for Independent Board members consists of fixed annual directors' fees and sitting allowances for attending Board meetings, as determined by the Board.
- 3.6 Foreign Non-Executive Directors are drawn from the Group's Senior Staff members and are not remunerated for Board's Meeting attendance.
- 3.7 The Executive directors are remunerated in accordance with the Company's Staff Remuneration Policy since the Executive Directors have employment contracts with the Company. The remuneration to the Executive Directors is based on the following:-
 - The established salary scale i.e. the basic salary, pensions and other benefits.
 - The annual objectives set at the beginning of the year.
 - A performance assessment carried out to determine the bonus and increment.
- 3.8 The Board Nomination and Remuneration Committee shall also review and recommend to the Board for approval the Board Remuneration Report for inclusion in the Annual Reports
- 3.9 The Directors' Remuneration shall retroactively be approved by shareholders in Annual General Meetings.

4. REVIEW OF PROCEDURE

The Board will review this procedure regularly to ensure it remains consistent with the relevant laws.

*****END*****

