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Remuneration Policy for Non-Executive Directors

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1) **Scope and Purpose**

The remuneration of the Non-Executive Chairman and Non-Executive Directors (hereinafter together "Directors" respectively) is determined by the full Board.

The aim of this Remuneration Policy (the Policy) is to set out the overall principles and structure for the remuneration of the Directors of the Company and to describe the decision-making process followed for the determination, review, and implementation of the Policy.

The key objectives of the Remuneration Policy are as follows:

- a) To ensure fairness and transparency in how Directors are compensated and how pay decisions are made.
- b) To align the Company's performance with the remuneration of Non-Executive Directors.

2) **Scope and Application of the Policy**

The Policy will apply to the Eaagads Board of Directors. The Board of Directors currently comprises five (5) Directors who are all Non-Executive Directors.

3) **Key Principles of the Remuneration Policy**

The principles which underpin the remuneration of the Non-Executive Directors are as follows:

- a) The Company should remunerate its Directors' fairly and responsibly.
- b) The remuneration shall be sufficient to attract, incentivise and retain Directors with the skill and experience necessary to deliver the Company's business strategy.
- c) The remuneration should support the delivery of the Company's business strategy, alignment with the long-term interests of stakeholders, and the creation of longterm sustainable value.
- d) The remuneration should reflect the Directors' responsibilities, expertise and the complexity of the Company's activities.

4) **Determining the Remuneration Structure for Directors**

- a) With the assistance of the Nomination and Governance Committee, the Board will discuss and if amenable, approve the forms of remuneration to be offered to Non-executive Directors.
- b) The Nominations and Governance Committee shall operate independently from the Management and shall request Management (or through independent advice, if required) to recommend a fee structure.
- c) In order to reduce and manage conflict of interest in determining the Non-executive Directors' remuneration, where the fees being discussed relate to the Chairman's position, the Chairman shall vacate the chair and an independent director shall temporarily assume the role of the chair.

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5) Components of the Non-executive Directors' Remuneration

a) Annual Fee

- 1) Directors will be paid an annual fee taking into account market practice at companies of a similar size and complexity.
- 2) Annual Fee will be as provided in the Appendix herein. The fees will be paid on the 10th day at the end of every quarter (working with the financial year end) and are subject to the relevant prevailing rates of tax.

b) Sitting allowance

- 1) The Non-executive Directors will receive a sitting allowance for every meeting attended as dictated by the annual calendar of activities.
- 2) The sitting allowance is payable following each meeting and is subject to the prevailing rates of tax.
- 3) There will not be an additional fee for committee chairs or for committee membership, unless otherwise determined by the Board. However, additional fees may be introduced in the future if this is considered appropriate to reflect additional Board or committee responsibilities as appropriate.

6) Reimbursement of Expenses

Non-executive directors are provided with support and reasonable travelling expenses. Where these have been incurred, reimbursement for all reasonable travelling and subsistence expenses including any relevant tax incurred in carrying out their duties will be made upon request and submission of relevant documentation.

7) Indemnification and Insurance

Non-executive directors have the benefit of indemnity in relation to liability incurred in their capacity as a Director of the Company.

8) Review of the Non-Executive Directors Remuneration

The Board of Directors will review the Non-executive Directors' remuneration every two years in order to ensure that the Company appropriately adapts to changing market circumstances and any changes in the responsibilities of the Non-Executive Directors. When the situation warrants, the remuneration may be reviewed before expiry of the two-year period.

9) Responsibilities

a) Management

Management has the role for formulating and proposing the Non-Executive Directors' fee quantum and the fee structure to the Nominations and Governance Committee for consideration. Management may engage a consultant to obtain the requisite information in arriving at the recommendation.

b) Nominations and Governance Committee

The Nominations and Governance Committee will ensure adequate independence of the consultant engaged, while ensuring that the recommendations are tailored to the Company and taking into account the prevailing market dynamics.

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The Nominations and Governance Committee members will discharge their fiduciary duty by applying their minds to Management's recommendation, specifically as to whether due process has been followed through proper benchmarking and data analysis, considering any external advice (and the source thereof), and thereafter make a recommendation to the Board of Directors.

c) Board of Directors

The Board of Directors will review and take a decision on the recommendations from the Nominations and Governance Committee.

d) Shareholders

Approval will be sought from the Shareholders of the remuneration of the Directors in relation to the preceding year as incorporated in the Audited Financial Statements of the Company.

10) Amendments

- a) The remuneration system described in this report will be applicable in future years, unless otherwise determined by regulation or in the light of changes in circumstances.
- b) The above notwithstanding, the Nominations and Governance Committee shall, in performance of its duties as prescribed in the Committee's Terms of Reference, periodically review this Remuneration Policy.
- c) Any changes to this Policy shall be tabled to the Board of Directors for approval through the Nominations and Governance Committee.

11) Effective Date

This Policy shall take effect from _____

Signed by the Chairman of the Board:

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Dr. Joseph Kangara Kimemia
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Dr. Joseph Kangara Kimemia

13 June 2024

Date

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Appendix

Annual Fee will be Kshs _____ per year, per Director.

The fee will be prorated accordingly.

Sitting Allowance

	Sitting Allowance -per sitting (Kes)
Board Chairperson	150,000
Non-Executive Director	100,000