

EXPRESS KENYA PLC.

Nomination and Remuneration Policy

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1. Introduction

This Nomination and Remuneration Policy provides the framework defining the criteria with regard to qualifications, attributes of a person to be appointed as a Director and also on remuneration of members of the Board of Directors, Key Managerial Personnel and other Senior Management Personnel of the Company.

This Policy ensures reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

The policy reflects the remuneration philosophy and principles of the Express Kenya PLC and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

2. Objective and purpose

The objectives and purpose of this Policy are:

- (a) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (Whole-time/non-executive/independent) of the Company (“Director”); and
- (b) To recommend policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management to the Board of Directors of the Company (“Board”).

This includes reviewing and approving corporate goals and objectives relevant to the compensation of the whole-time Directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board), determine and approve whole-time Directors’ compensation based on this evaluation; making recommendations to the Board with respect to Key Managerial Personnel and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

3. Policy for appointment and removal of Directors, Key Managerial Personnel and Senior Management

(a) Appointment criteria and qualifications

- i. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, Key Managerial Personnel or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- ii. A person to be appointed as Director, Key Managerial Personnel or Senior Management should possess adequate qualification, expertise and experience for the position he/she is considered for.
- iii. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
- iv. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended for such role shall meet the description.
- v. For the purpose of identifying suitable candidates, the Committee may;
 - Use the services of an external agencies, if required
 - Consider candidates from a wide range of backgrounds, having due regard to diversity and
 - Consider the time commitments of the candidates
- vi. The Company shall appoint or continue the employment of a person as Chief Executive Officer and non-executive Director who has not attained the maximum age of retirement as prescribed under relevant laws.
- vii. The Chief Executive Officer of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, he can be

appointed as a Director in any company, with the permission of the Board of Directors of the Company.

- viii. The Company shall not appoint any resigning independent director, as Chief Executive Officer.

(b) Term / Tenure

1. Managing Director / Executive Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Executive Director as per the relevant laws.

2. Non-Executive Director

Non-executive director's office is subject to retirement by rotation at the Annual general meeting in the manner as specified under relevant laws.

3. Independent Director

An Independent Director shall be appointed / re-appointed in the manner as specified under relevant laws.

(c) Removal

Due to reasons for any disqualification mentioned in the Act and rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

(d) Retirement

The Directors, Key Managerial Personnel and Senior Management shall retire as per the applicable provisions of the relevant laws. The Board will have the discretion to retain the Directors, Key Managerial Personnel and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the relevant laws.

4. Policy relating to the remuneration for Directors, Key Managerial Personnel and Senior Management Approval

(a) General

1. The remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director/Executive Director shall be in accordance with the provisions of the Act, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Executive Director.
4. Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(b) Remuneration to Key Managerial Personnel and Senior Management

The pay program for KMP and Senior Management has been designed around two primary pay components: Base/Fixed Pay and Performance Bonus.

These three components together constitute the "Total Rewards" of the KMP and Senior Management.

1. Base/ Fixed pay: It is guaranteed pay and paid periodically, usually monthly.
2. Performance Bonus: Cash bonus, payable on the achievement of objective and quantifiable key performance indicators (KPI) as established by the Committee.

The total rewards for KMP and Senior Management is designed to ensure their continued alignment with organizational goals. The Committee aims to ensure that KMP and Senior Management pay is reflective of market pay, consisting of a mix of base/ fixed pay and performance bonus

(c) Remuneration to other employees

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Chief Executive Officer, in consultation with the Head- HR.

(d) Minimum remuneration to Executive Directors

The Company shall pay remuneration to its Executive Directors which shall be determined by the Nomination and Remuneration Committee.

(e) Remuneration to Non-Executive / Independent Directors Remuneration:

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of relevant laws. If, in any financial year, the Company has no profits or its profits are inadequate, no remuneration will be paid until such time that the Company is making adequate profits.

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company.

5. Policy review

- a) This Policy is framed based on the provisions of the Act and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.
- b) In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- c) This policy shall be reviewed by the Nomination and Remuneration Committee, periodically. Any changes or modification to the policy as

6. Approval

Approved by a Board Resolution dated: 15th MARCH 2024.



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BOARD CHAIRMAN

