



**BRITISH AMERICAN TOBACCO KENYA PLC
(‘the Company’)**

**BOARD REMUNERATION POLICY
FOR NON-EXECUTIVE DIRECTORS**



1) **INTRODUCTION**

- 1.1 This Policy establishes a framework for a fair, competitive, equitable and attractive remuneration framework for Non-Executive Directors of the Company.
- 1.2 This Policy shall be referenced in resolving any claims made by individuals concerning the payment of remuneration to Non-Executive Directors.

2) **OBJECTIVE**

The objective of this Policy is to:

- a) Establish a remuneration level that enables the Company to attract and retain a sufficient number of highly qualified directors;
- b) Ensure that the remuneration process for Non-Executive Directors is equitable and transparent;
- c) Attract and retain high quality skills and talents in the Board; and
- d) Provide growth opportunities for directors to advance their skills and experience.

3) **KEY PRINCIPLES**

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 long-term sustainable value.
- d) The remuneration should be consistent with recognized best practice standards and be competitive in line with remuneration for other directors in competing sectors.
- e) The remuneration should reflect the Directors' responsibilities, expertise and the complexity of the Company's activities.

4) **DETERMINING THE REMUNERATION FRAMEWORK**

- 4.1 Management has the role of formulating and proposing the Non-Executive Directors' fee quantum and the fee structure to the Remuneration Committee for consideration. Management may engage a consultant to obtain the requisite information in arriving at the recommendation.
- 4.2 The Remuneration Committee shall operate independently from the Management and shall 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.



- 4.3 The Remuneration Committee members shall 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). The Committee shall thereafter make a recommendation to the Board of Directors.
- 4.4 The Board of Directors shall review and take a decision on the recommendations from the Remuneration Committee, with respect to the remuneration.
- 4.5 The Shareholders shall consider and approve the remuneration of Directors in relation to the preceding year as incorporated in the Audited Financial Statements of the Company, in accordance with applicable laws and regulations.

5) **COMPONENTS OF THE NON-EXECUTIVE DIRECTORS' REMUNERATION**

The competitiveness of the fees for the Non-Executive Directors are assessed annually by the Remunerations Committee. The Non-Executive Directors' Remuneration, will comprise of the below:

5.1 **Annual Fee**

The Non-Executive Directors will receive an annual fee which will be payable in arrears by equal monthly instalments and is subject to relevant prevailing rates of tax.

5.2 **Sitting Allowance**

The Non-Executive Directors will receive a sitting allowance for every Board or Committee meeting attended as dictated by the annual calendar of activities. The sitting allowance is payable following each event and is subject to the prevailing rates of tax.

5.3 **Reimbursement of Expenses:**

The Company will cover all reasonable out-of-pocket expenses that Directors incur while performing their duties upon submission of relevant documentation.

Non-Executive Directors based out of the country (Kenya) are reimbursed for cost of travel and related expenses incurred by them as Directors of the Company in respect of attendance at Board, Committee and General meetings.

5.4 **Chairman's Honorarium**

The Chairman of the Board will also receive an annual honorarium amount as determined by the Remunerations Committee, to be paid in March of each year.

6) **OTHER BENEFITS**

6.1 **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.



6.2 Communication gadgets

To facilitate communication, Non-Executive Directors will be provided with a Company maintained iPad/tablet.

7) 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 the Company appropriately adapts to changing market circumstances and any changes in the responsibilities of the Non-Executive Directors. When situation warrants, the remuneration may be reviewed before expiry of the two year period.

8) DISCLOSURE OBLIGATIONS

The remuneration of Directors will be reported in the Annual Report and Financial Statements in accordance with legal and regulatory standards.

9) POLICY REVIEW AND APPROVAL

9.1 The Nominations and Governance Committee together with the Remuneration Committee of the Board will review this policy at least once every two (2) years or more frequently as required to ensure it remains consistent with the Board's objectives and responsibilities.

9.2 The Nominations and Governance Committee in consultation with the Remuneration Committee, will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

The Nominations and Governance Committee reviewed this Policy on 15th April 2026.

The Board approved and adopted this Policy on 24th April 2026.