



## Remuneration Philosophy

The Group's Board and remuneration committee (REMCO) set a remuneration philosophy which is guided by Standard Bank Group's (SBG's) philosophy and policy as well as the specific social, regulatory, legal, and economic context of Nigeria. In this regard, the Group employs a cost to company structure, where all benefits are included in the listed salary and appropriately taxed. The following key factors have informed the implementation of reward policies and procedures that support the achievement of business goals:

- The provision of rewards that enable the attraction, retention and motivation of employees and the development of a high-performance culture.
- Maintaining competitive remuneration in line with the market, trends and required statutory obligations.
- Rewarding people according to their contribution
- Allowing a reasonable degree of flexibility in remuneration processes and choice of benefits by employees
- Utilizing a cost-to-company remuneration structure and
- Educating employees on the full employee value proposition

The Group's remuneration philosophy aligns with its core values, including growing our people, appropriately remunerating high performers and delivering value to our shareholders. The philosophy emphasizes the fundamental value of our people and their role in ensuring sustainable growth. This approach is crucial in an environment where skills remain scarce.

The Board sets the principles for the Group's remuneration philosophy in line with the approved business strategy and objectives. The philosophy aims to maintain an appropriate balance between employee and shareholder interests. The deliberations of REMCO inform the philosophy, taking into account reviews of performance at a number of absolute and relative levels – from a business, an individual and a competitive point of view.

A key success factor for the Group is its ability to attract, retain and motivate the talent it requires to achieve its strategic and operational objectives. The Group's remuneration philosophy includes short-term and long-term incentives to support this ability.

Short-term incentives, which are delivery specific, are viewed as strong drivers of competitiveness and performance. A significant portion of top management's reward is therefore variable, being determined by financial performance and personal contribution against specific criteria set in advance. This incites the commitment and focus required to achieve targets.

Long-term incentives seek to ensure that the objectives of management and shareholders are broadly aligned over longer time periods.

## Remuneration Policy

The Group has always had a clear policy on the remuneration of staff, executive and non-executive Directors which set such remuneration at levels that are fair and reasonable in a competitive market for the skills, knowledge, experience required, and which complies with all relevant tax laws.

REMCO assists the Group's Board in monitoring the implementation of the Group remuneration policy, which ensures that:

- Salary structures and policies, as well as cash and long-term incentives, motivate sustained high-performance and are linked to corporate performance objectives.



- Stakeholders are able to make a reasonable assessment of reward practices and the governance process and
- The Group complies with all applicable laws and codes

## **Remuneration Structure**

### **Non-executive Directors Terms of Service**

Directors are appointed by the shareholders at the Annual General Meeting (AGM), although board appointments may be made between AGMs. These appointments are made in terms of the Company's policy. Shareholder approvals for such annual appointments are however sought at the AGM that holds immediately after such appointments are made. Non-Executive Directors are required to retire after 3 years and may offer themselves for re-election. If recommended by the board, their re-election is proposed to shareholders at the AGM. In terms of Companies and Allied Matters Act (CAMA), if a Director over the age of 70 is seeking re-election to the Board, his age must be disclosed to shareholders at the meeting at which such re-election is to occur.

### **Fees**

Non-Executive Directors receive fixed annual fees and sitting allowances for service on the Board and Board committees. There are no contractual arrangements for compensation for loss of office. Non-Executive Directors do not receive short term incentives, nor do they participate in any long-term incentive schemes. REMCO reviews the Non-Executive Directors' fees annually and makes recommendations on same to the Board for consideration. Based on these recommendations, the Board in turn recommends a gross fee to shareholders for approval at AGM.