

**REMUNERATION POLICY FOR  
NON-EXECUTIVE DIRECTORS  
OF  
NESTLÉ NIGERIA PLC**

Dated the 22nd day of May, 2018

**1. Introduction**

This Remuneration Policy for Non-Executive Directors is premised on and subject to all current and future applicable Laws and Regulations in Nigeria including the Companies and Allied Matters Act, Laws of the Federation 2004, Investment and Securities Act, 2007, the 2011 Code of Corporate Governance of the Securities & Exchange Commission, Tax legislations, as well as international best practices and principles.

**2. Applicability**

The Policy shall:

- 2.1. Apply to all matters relating to the determination and payment of remuneration to the Non-Executive Directors of Nestlé Nigeria Plc ("the Company").
- 2.2. Subject to the Articles of Association of the Company, guide the remuneration committee and its Board of Directors in determining remuneration payable to its Non-Executive Directors.
- 2.3. Be employed in determining any claim by any person regarding payment of remuneration to the Non-Executive Directors.
- 2.4. Apply to all classes of the Non-Executive Directors of the Company.

**3. Objectives**

- 3.1 To define the remuneration policy, procedures and criteria guiding the determination and payment of remuneration to Non-Executive Directors of the Company.
- 3.2 To ensure that the process of remunerating Non-Executive Directors is fair and transparent.

**4. Remuneration Procedure**

- 4.1 The Remuneration Committee of the Board shall be responsible for reviewing and making proposal to the Board of Directors on the remuneration of the Non-Executive Directors.
- 4.2 The Board of Directors shall consider the proposal and make appropriate recommendation(s) on the remuneration of the Non-Executive Directors.
- 4.3 The Remuneration shall be presented for the approval of the Shareholders in General Meeting in line with applicable laws and regulations.

**5. Guiding Principles for Determination of Remuneration**

- 5.1 In determining the remuneration of the Non-Executive Directors, the Remuneration Committee and the Board of Directors shall be guided by the following Principles:
  - 5.1.1 Remuneration shall compare reasonably with the remuneration of the Non-Executive Directors of the other listed companies in similar line of business or within broadly similar business segment. The Company may use any specific survey report made available by any reputable firm of professionals

or survey conducted by the Company to that effect. The Board will agree on a reasonable remuneration percentile to be targeted after each remuneration survey cycle.

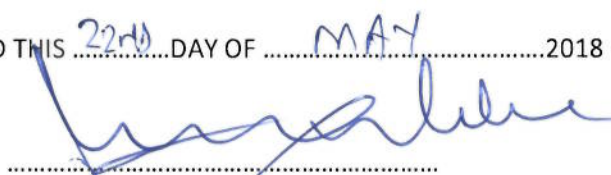
- 5.1.2 Non-Executive Directors of the Company who are employees of the Nestlé Group shall not receive any remuneration for acting as Non-Executive Directors save for travel expenses, accommodation and feeding during the Board assignment which shall be borne by the Company.
- 5.1.3 Total remuneration shall cover Directors Fees and other emoluments (Sitting Allowances for Board and Board Committee meetings and other Allowances as may be reasonable.
- 5.1.4 Non- Executive Director remuneration shall not provide for any entitlement to or cover any terminal, end of term / assignment fee, severance pay or pension benefit whatsoever.
- 5.1.5 Remuneration paid to Non-Executive Directors shall be disclosed in the Annual Report and Financial Statements in line with legal and regulatory requirements.
- 5.1.6 Non-Executive Director's fees shall be net of withholding tax.
- 5.1.7 The Company shall reimburse Non-Executive Directors all reasonable out of pocket expenses incurred within the director's duties.
- 5.1.8 Non-Executive Directors are not entitled to participate in equity schemes of the Company.
- 5.1.9 Remuneration shall be reviewed periodically to adjust for inflation and remain competitive.

**9. Definitions**

- 9.1 "Total Remuneration (s)" refers to fees and other emoluments recommended by the Board of Directors and approved by Shareholders in General Meeting from time to time.
- 9.2 "Law and Regulation" means any Law or Regulation for the time being in force which regulates the remuneration of Non-Executive Directors.

This Remuneration Policy for Non-Executive Directors is approved by the Board on

APPROVED BY THE BOARD THIS 22<sup>nd</sup> DAY OF MAY 2018

  
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 CHAIRMAN