

HOW WE SAFEGUARD VALUE



Corporate Governance Report

OUR CORPORATE GOVERNANCE STATEMENT

Safaricom PLC, through its Board of Directors is committed to implementing and adhering to good corporate governance and best practice. The Board considers that good governance, achieved through an ethical culture, competitive performance, effective control and legitimacy, can create sustainable value and enhance long-term equity performance.

The Board applies good governance practices to promote strategic decision making for the organization to balance short, medium and long-term outcomes to reconcile interests of its stakeholders and the society to create sustainable shared value. To that end, sound governance practices, based on accountability, transparency, ethical management and fairness, are entrenched across the business.

STATEMENT OF RESPONSIBILITIES

The Companies Act, 2015 requires Directors to act in good faith, to promote the success of the Company for the benefit of its stakeholders and to avoid conflict between their personal interests and those of the Company, always acting in the best interest of the Company. Directors must have due regard to the long-term consequences of their decisions, the legitimate interests of employees, the need to foster effective business relationships with suppliers, customers and various stakeholders, the impact of the Company's operations on the community and the environment, and the desire to maintain a reputation for high standards of business conduct.

The Board of Directors of Safaricom is responsible for the governance of the Company. To this end, the Board is committed to ensuring that the Company complies with the laws, regulations and standards applicable to it. The Directors are responsible for putting in place governance structures and systems that support the practice of good governance. The Board ensures that high standards and practices in Corporate Governance and more specifically the principles, practices and recommendations set out under the *Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015* ("the CMA Code"), as well as the Companies Act, 2015 ("the Act") are adhered to. Safaricom continues to endeavor to comply with the provisions of the CMA Code.

Over and above the annual self-assessment that the Company is expected to complete on its level of compliance of the Code, the Corporate Governance Statement as provided in this Annual Report will highlight to the Company's shareholders and various stakeholders, the performance to date. Safaricom remains committed to the highest standards of corporate governance and business ethics. Good corporate governance practices are essential to the delivery of long term and sustainable stakeholder and shareholder value.

The Company also adheres to other regulations promulgated by the CMA and the Nairobi Securities Exchange and the ethical standards prescribed in the Company Code of Conduct. In addition, as a law-abiding corporate citizen, Safaricom abides by the tenets of the Constitution of Kenya and all other laws.

We continuously assess our governance operating model to ensure that robust internal governing bodies and proper systems/processes are in place to support the Board and Management to drive change, set strategic direction and formulate high-level goals and policies.

The Directors are committed to fulfilling their fiduciary responsibilities and have instituted various principles necessary to ensure that good governance is practiced with respect to dealings with the Company's shareholders, customers and other relevant stakeholders in line with the spirit of the Code of Corporate Governance for listed Companies.

LEADERSHIP AND RESPONSIBILITIES

The Board is committed to ensuring that a strong governance framework operates throughout the Company, recognising that good corporate governance is a vital component to support management in their delivery of the Company's strategic objectives, and to operate a sustainable business for the benefit of all stakeholders. The Board recognises that the process of identifying, developing and maintaining high standards of corporate governance suitable for the Company is ongoing and dynamic to reflect changes in the Company and its business, the composition of the Board and developments in corporate governance.

The Board is collectively accountable and responsible for the Company's vision, strategic direction, its values, and governance.

The responsibility for implementing strategy and day-to-day operations has been delegated by the Board to the Chief Executive Officer (CEO) and his Senior Leadership Team.

Throughout the year ended 31 March 2023 and to the date of this document, the Company endeavored to comply with the Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the 'Code'). The Board considers that this Annual Report and notably this section, provides the information that shareholders need to evaluate how the Company has applied the principles in the Code. In addition to complying with the Code, the Company has embedded internal rules of engagement to support corporate governance.

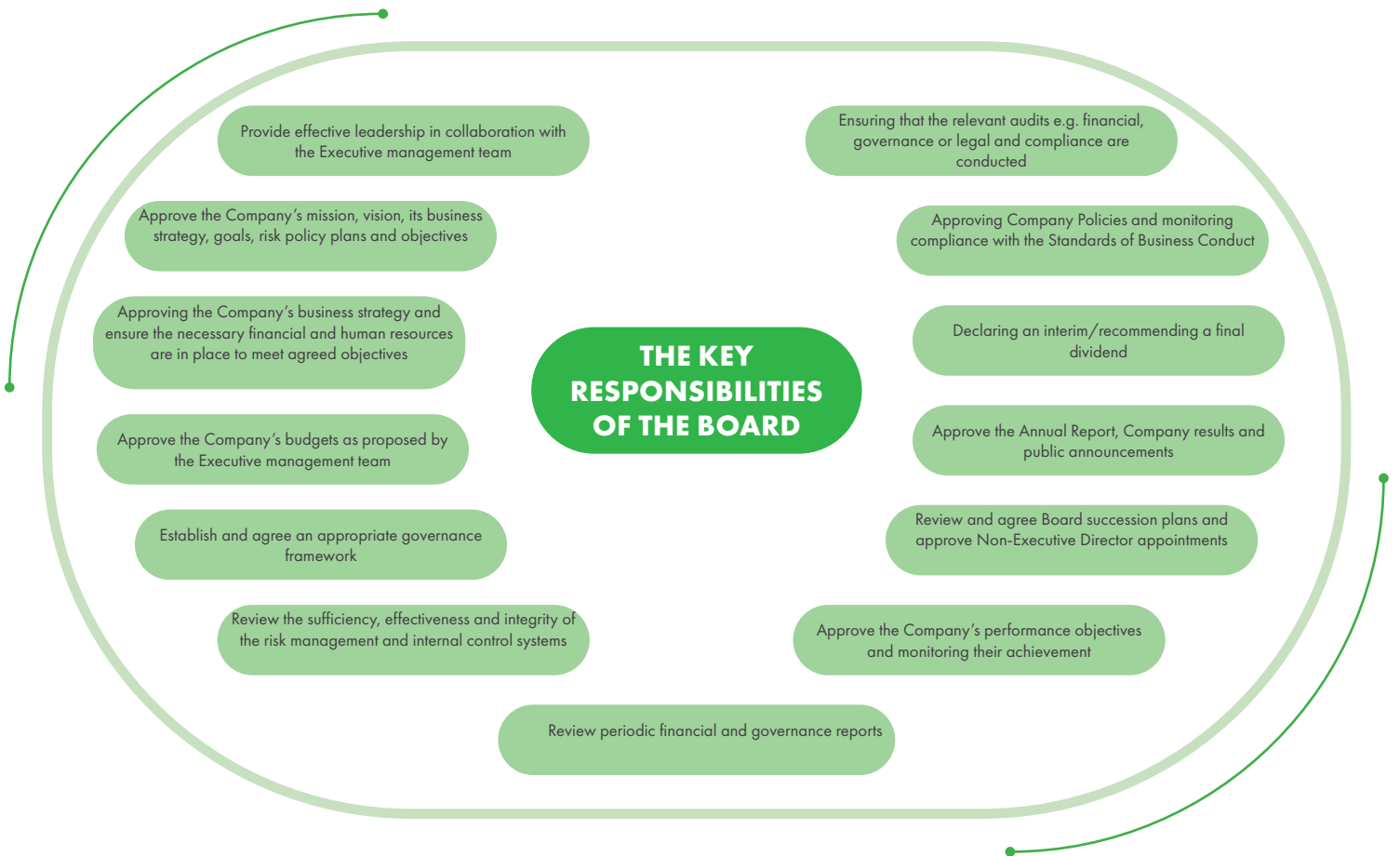
THE ROLE OF THE BOARD

The Board serves as the focal point and custodian of corporate governance in the Company. The Board is collectively responsible for the Company's vision, strategic direction, its values, and governance and is accountable to the Company's shareholders for the performance of the business. The Board is expected to provide effective leadership to the Company towards the following matters:

- sustainable long-term success through the exercise of objective and informed judgement in determining the strategy of the Company;
- having the right team in place to execute the strategy through effective succession planning;
- setting up appropriate governance structures for the management of the business operations;
- monitoring business performance and maintaining an effective framework of controls to mitigate risks facing the business; and
- ensuring ethical behavior and compliance with the laws and regulations.

As at the financial year end of 31 March 2023, the Board operated through two principal Board Committees, to which it had delegated certain responsibilities; these committees are: the Audit, Risk and Compliance Committee and the Nominations and Remuneration Committee. The Board also had one adhoc committee, the Investment Committee. The roles, membership and activities of these Committees are described in more detail later in this Report. Each Committee has its own terms of reference which are reviewed periodically and updated as appropriate.

The Board devotes considerable attention to corporate governance matters relating to the Company's internal controls and compliance activities. It receives updates from the respective Chairpersons of each committee at the following Board meeting.



HOW WE SAFEGUARD VALUE



Corporate Governance Report (continued)

SEPARATION OF POWERS AND DUTIES OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER (CEO)

The Chairperson and the Chief Executive Officer have distinct and clearly defined duties and responsibilities. The separation of the functions of the Chairman (a Non-Executive director) and the CEO (Executive director) supports and ensures the independence of the Board and Management.

The balance of power, increased accountability, clear definition of responsibilities and improved decision-making are attained through a clear distinction between the non-executive and executive roles.

A summary of each role can be found below:-

The Chairman

- Leads the Board, sets each meeting agenda and ensures the Board receives accurate, timely and clear information in order to monitor, challenge, guide and take sound decisions;
- Promotes a culture of open debate between the Non-Executive Directors and Executive Directors and holds meetings with the Non-Executive Directors, without the Executive Directors present;
- Regularly meets with the Chief Executive Officer and other Senior Management to stay informed;
- Ensures effective communication with shareholders and other stakeholders;
- Promotes high standards of corporate governance;
- Promotes and safeguards the interests and reputation of the Company; and
- Represents the Company to government, shareholders, regulators, financial institutions, the media, the community and the public.

The Chief Executive Officer

- Is responsible for the day-to-day management of the business of the Company and to oversee the implementation of strategy and policies approved by the Board and serving as the official spokesperson for the Company.
- Provides coherent leadership of the Company, including representing the Company to customers, suppliers, governments, shareholders, financial institutions, employees, the media, the community and the public and enhances the Company's reputation;
- Leads the Executive Directors and senior management team in running the Company's business, including chairing the Executive Committee;
- Develops and implements the Company's objectives in line with the strategy having regard to shareholders and other stakeholders;
- Manages the Company's risk profile and ensures appropriate internal controls are in place;
- Ensures compliance with legal, regulatory, corporate governance, social, ethical and environmental requirements and best practice; and
- Ensures that there are effective processes for engaging with, communicating with, and listening to, employees and others working for the Company.

The Senior Leadership Team

The Leadership Team led by the CEO is responsible for the day-to-day management of the Company and its operating subsidiaries. In so doing, it oversees the implementation of the strategy and policies set by the Board. Profiles of the Senior Leadership Team are set out on page 140 to 146 of this Annual Report.

The key responsibilities of the Senior Leadership Team include inter alia:

- Developing the Company's business strategy for review and approval by the Board;
- Managing business functions and ensuring that functional strategies are effective and aligned with the Company's priorities and objectives;
- Monitoring the Company's operating performance;
- Reviewing functional budgets and activities and ensuring that they are adequate to achieve their targets;
- Developing guidelines for the Company's functional business units;
- Overseeing the management and development of talent within the Company;
- Ensuring that collective effort and resources are balanced, effective and properly focused; and
- Making recommendations on matters reserved for Board approval.

The Company Secretary

The Company Secretary is a member in good standing with the Institute of Certified Secretaries (ICS). The Company Secretary provides a central source of guidance and advice to the Board on matters of governance, statutory compliance and compliance with the regulators.

The role of the Company Secretary includes inter alia;

- Providing a central source of guidance and advice to the board, and the company, on matters of statutory and regulatory compliance and good governance;
- Providing the board and the directors individually with guidance on how their responsibilities should be discharged in the best interests of the company;
- Facilitating the induction training of new directors and assisting with the directors' professional development as required. This includes identifying and facilitating continuous board education;
- In consultation with the CEO and the Chairman, ensuring effective flow of information within the board and its committees and between senior management and non-executive directors. This includes timely compilation and distribution of board papers and minutes, as well as communication of resolutions from board meetings;
- Guiding the company in taking the initiative to not only disclose corporate governance matters as required by law, but also information of material importance to decision-making by shareholders, customers and other stakeholders;
- Coordinating the governance audit process
- Assisting the Board with the evaluation exercise;
- Keeping formal records of Board discussions and following up on the timely execution of agreed actions.



BOARD SIZE

The Board determines its size and composition, subject to the Company's Articles of Association, Board Charter, relevant policies, applicable law and best practices. The Company's Articles of Association provide for a maximum of 11 directors. As at 31 March 2023, the Board comprised of ten (10) Directors, nine (9) being non-executive directors and one (1) is an executive director (the CEO). Of the nine non-executive directors, three (3) are independent as defined in the Code. The Board is of the view that its current size is sufficient and enables it to deliver on its mandate.

BOARD APPOINTMENT

In line with the Company's Articles of Association, and their current shareholding, 3 of the Non-Executive Directors are appointed by Government of Kenya and 4 of the Non-Executive Directors, are appointed by Vodafone Kenya Limited. The Non-Executive Directors, other than those appointed by Government of Kenya and Vodafone Kenya Limited, are subject to retirement by rotation and seek re-election (if they choose to) by shareholders in accordance with the Articles of Association.

As part of its mandate, the Board Nominations, Remuneration and Governance Committee (BNRGC) is responsible for the selection and appointment of board directors. Prior to any appointment, the BNRGC develops suitable selection criteria for potential candidates, screens and interviews them before they are formally appointed. The BNRGC is permitted by its terms of reference to engage the services of a qualified external consultant to identify prospective candidates for the role of independent director.

In between AGMs, in the event of any vacancy, the Board may appoint a director to serve until the next AGM. Any such appointment of an independent director is brought to the attention of the shareholders through the notice of the AGM, and the director, if they opt to seek re-election, is subjected to an election process by the shareholders, at the next AGM following their appointment.

The Articles of Association also provide that at every AGM, and as may be applicable, at least one-third of the independent directors must retire from the Board and where eligible, and if they choose to, stand for re-election.

NON-EXECUTIVE DIRECTORS

As at 31 March 2023 and as at the date of this Annual Report, the Board had nine (9) Non-Executive Directors. The Non-Executive Directors come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the business.

The Non-Executive Directors help develop strategy and are responsible for ensuring that the business strategies proposed are fully discussed and critically reviewed. This enables the Directors to promote the success of the Company for the benefit of its shareholders, with consideration of, among other matters, the interests of employees, the fostering of business relationships with customers, suppliers and other stakeholders. The Non-Executive Directors oversee the operational performance of the business, scrutinise performance of Management and the Company, bring an external perspective to the Board, monitor reporting of performance and should be available to meet with major stakeholders as appropriate. To perform these tasks, they have access to relevant information, with updates provided on regulatory and other matters affecting the Company.

INDEPENDENT DIRECTORS AND INDEPENDENCE

As at 31 March 2023 and as at the date of this Annual Report, three (3) of the Non-Executive Directors were Independent as defined in the Code. The Company has committed to commence the process of appointment of a 4th independent director so that a third of the Board comprises of independent directors.

HOW WE SAFEGUARD VALUE

A
Snapshot of
Safaricom

About
our Report

Who
we Are

Message
from the
Chairman

Message
from the
CEO

Corporate Governance Report (continued)

THE COMPOSITION OF THE BOARD

The Directors who served during the year to 31 March 2023 and the board changes that took place in the year under review, are set out below:-

Name	Nationality	Date of appointment as a director	Date of ceasing to be a director
Adil Khawaja	Kenyan	22 December 2022	–
Peter Ndegwa	Kenyan	1 April 2020	–
Michael Joseph	American/Kenyan	8 September 2008	–
Mohamed Shameel Joosub	South African	31 August 2017	–
Rose Ogega	Kenyan	12 February 2019	–
Francesco Bianco	Italian	20 March 2020	–
Raisibe Morathi	South African	1 November 2020	–
Winnie Ouko	Kenyan	10 February 2021	–
Sitholizwe Mdlalose	British	29 July 2020	1 August 2022
Christopher Kirigua (alternate to the Cabinet Secretary National Treasury & Economic Planning)	Kenyan	10 February 2021	28 June 2022
Eng. Stanley Kamau (alternate to the Cabinet Secretary National Treasury & Economic Planning)	Kenyan	28 June 2022	24 February 2023
John Ngumi	Kenyan	1 August 2022	22 December 2022
Bitange Ndemo	Kenyan	2 March 2017	24 February 2023
Linda Watiri Muriuki	Kenyan	31 August 2017	20 February 2023
Karen Kandie (alternate to the Cabinet Secretary National Treasury & Economic Planning)	Kenyan	24 February 2023	–
Ory Okolloh	Kenyan	24 February 2023	–

BOARD OPERATIONS

The Safaricom Board meets at least four times a year and the meetings are structured in a way that allows for open discussions.

The Board is solely responsible for its agenda. It is however, the responsibility of the Chairman and the Company Secretary, working closely with the Chief Executive Officer, to come up with the annual Board work plan and the agenda for the Board meetings. The Work Plan is designed to enable the Board to drive the Company's strategy forward. The Board work plan for the year 2023 was approved by the Board at its meeting held on 24 February 2023.

The notice, agenda and comprehensive board papers are prepared and circulated to all directors with due notice in line with the Board Charter, prior to the meeting. This allows time for the directors to undertake an appropriate review of the board papers to facilitate full and effective discussions at the meetings. The submissions and notification period may be waived should any urgent and critical matters arise.

Directors are entitled to request for additional information where they consider further information is necessary to support informed decision-making.

Where Directors are unable to attend a meeting, they are advised on the matters to be discussed and given the opportunity to make their views known to the Chairman or the Chief Executive Officer prior to the meeting.

The members of the Senior Leadership Team may be invited to attend the Board and/or Committee meetings if deemed necessary and as appropriate, to make presentations on their areas of responsibility. This serves as an opportunity to give the Directors greater insights into their business areas.



A summary of Board meetings and attendance in the year under review is indicated below:

BOARD MEETINGS AND ANNUAL GENERAL MEETING ATTENDANCE FROM 1 APRIL 2022 TO 31 MARCH 2023

	Adil Khawaja	Michael Joseph	John Ngumi	Peter Ndegwa	Shameel Joosub	Bitange Ndemo	Linda Muriuki	Rose Ogega	Francesco Bianco	Raisibe Morathi	Sitholizwe Mdlalose	Winnie Ouko	Christopher Kirigua	Eng. Stanley Kamau	Karen Kandie	Ory Okolloh
9 May 2022	-	√	-	√	√	√	√	√	√	√	√	√	√	-	-	-
28 July 2022	-	√	-	√	√	√	√	√	√	√	√	√	-	√	-	-
29 July 2022 (AGM)	-	√	-	√	√	√	√	√	√	√	√	√	-	-	-	-
8 November 2022	-	√	√	√	√	√	√	√	√	√	-	√	-	√	-	-
26 January 2023 (Special)	Apology	√	-	√	√	√	√	√	√	√	-	√	-	√	-	-
24 February 2023	√	√	-	√	√	√	-	√	√	√	-	√	-	-	-	-
28 March 2023 (Special)	√	√	-	√	√	-	-	√	√	√	-	√	-	-	√	√

- Christopher Kirigua ceased to be an alternate Director to CS, National Treasury & Economic Planning with effect from 28 June 2022 and was replaced by Eng. Stanley Kamau
- Sitholizwe Mdlalose ceased to be a director with effect from 1 August 2022
- John Ngumi was appointed as a director and Chairman of the Board with effect from 1 August 2022. He ceased to be a director and Chairman of the Board with effect from 22 December 2022
- Adil Khawaja was appointed as a director with effect from 22 December 2022 and as the Chairman of the Board with effect from 26 January 2023
- Linda Muriuki ceased to be a director with effect from 20 February 2023.
- Karen Kandie was appointed as the alternate to the Cabinet Secretary, National Treasury & Economic Planning, in place of Eng. Stanley Kamau, with effect from 24 February 2023
- Bitange Ndemo ceased to be a director with effect from 24 February 2023
- Ory Okolloh was appointed as a director with effect from 24 February 2023

HOW WE SAFEGUARD VALUE



Corporate Governance Report (continued)

During the year under review, the key areas of focus for the Board’s activities and topics discussed during were on the following matters:

- Approved the audited financial statements for the year ended 31 March 2022 as well as the guidance, press release and commentary
- Discussed and resolved to make a recommendation to the shareholders on the approval of the final dividend for the year ended 31 March 2022 and which was approved at the 2022 Annual General Meeting
- The Board further considered and approved the unaudited half year financial statements for the period to 30 September 2023
- Approved the interim dividend for the year ended 31 March 2023 and made a recommendation to the shareholders on the approval of the final dividend for the year under review
- Approved the Audit fees for the external auditor
- Reviewed and agreed the Company’s strategy and ensured that the necessary financial and human resources were in place to meet agreed objectives
- Reviewed and approved the strategic initiatives and financial plans for the year under review and specifically discussed the funding for Ethiopia and Mobile Financial Services License Fee for Ethiopia
- Approved the FY23 budget and monitored performance against the approved budget of the Company
- Monitored the political and regulatory trends and developments and their implications for the business
- Discussed and improved the Board’s understanding of key risks facing the business in Ethiopia including from a political and economic perspective
- Discussed the risks and mitigations thereof that the business was exposed to including cyber threats, changing regulations
- Reviewed and monitored the significant litigation cases and their liability
- Received a report on the board evaluation.
- Received regular reports of the deliberations of the Audit, Risk and Compliance Committee, the Nominations, Remuneration and Governance Committee and the Investment Committee

BOARD EFFECTIVENESS

The effectiveness of the Board in its oversight and leadership role is enhanced by a robust support system. This is facilitated through the following:-

Board Diversity

The Board recognises and embraces the benefits of diversity and views increasing diversity as an essential element in maintaining a competitive advantage. The Board also recognizes the role of diversity in bringing different perspectives into board debates and offers better anticipation of the risks that are inherent in the business and the opportunities that the business pursues.

Safaricom seeks to have a Board that has the right mix of individuals with relevant attributes skills, knowledge and experience and who jointly have the overall collective competence to deal with current and emerging issues and effectively guide Management in ensuring the highest performance for the Company. The Non-Executive Directors are expected to have a clear understanding of the strategy of the Company as well as knowledge of the industry in which the Company operates. The aggregate mix of skills and experience of the Directors seeks to challenge Management, ensure robust and constructive debate, augments and challenges the strategic thinking of the executives thereby adding value to the Company.

The Non-Executive Directors come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the business. The areas of expertise of the current board of directors include: legal and governance, business management, telecommunications, finance, electrical engineering, IT, mobile money, corporate communications, economics, marketing, project management, risk management and human resources. Short biographies of the Directors, including details of their nationalities, relevant skills and experience, are set out on pages 134 to 146.

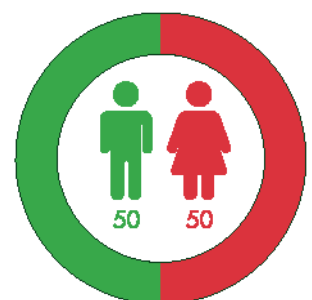
Balance of Non-Executive and Executive Directors



Length of tenure



Gender split of Directors





Management of Conflicts of interest

The Directors are obligated to fully disclose to the Board any real or potential conflict of interest, which comes to any director's attention, whether direct or indirect. The statutory duty to avoid situations in which the directors have or may have interests that conflict with those of the Company has been observed by the Board in the financial year under review. All business transactions with all parties, directors or their related parties are carried out at arm's length. An acknowledgement that should it come to the attention of a director that a matter concerning the Company may result in a conflict of interest, obligates the director to declare the same and exclude himself/herself from any discussion or decision over the matter in question.

The Board has formal procedures for managing conflicts of interest in accordance with the Companies Act 2015 and the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public. Directors are required to give advance notice of any conflict issues to the Chairman or Company Secretary, and these are considered at the next Board or Committee meeting.

Declaration of conflicts of interest is also a standard agenda item which is addressed at the onset of each Board and Committee meeting. Directors who are conflicted, are excluded from the quorum and vote, in respect of any matters in which they have an interest. Various conflicts of interest on related party transactions were reported by the affected Directors in the year under review.

Director induction

On joining the Board, all new Directors receive a detailed induction. The induction programme is initiated by the Chairman of the Board and progressed by the Chief Executive Officer, members of the Senior Leadership Team and the Company Secretary.

The induction programme includes a series of meetings with other Directors, the Chief Executive Officer and senior executives to enable new Directors to familiarise themselves with the business. This provides an overview of the Company, the Company's operating environment and new developments thereof, accounting and financial reporting developments, as well as any regulatory changes. As part of the induction training, detailed presentations by Management, are factored in, so that the Directors gain a good sense of the Company's operations and central functions.

Three new directors were appointed in the year under review and inducted.

Training and development

All Directors are expected to maintain the skills required to carry out their obligations. Board members undergo regular training and education to enable them to fulfill their responsibilities. Directors receive functional presentations built into the annual Board Work Plan to gain a good sense of the Company's operations and central functions. The Board and its Committees receive briefings and participate in deep dive sessions on various matters such as business risks and their mitigations, legal and regulatory developments that directly impact the operations of the Company. These are facilitated by experts in the particular fields relevant to the Company's operations as well as the Management team.

During the financial year under review, the Directors engaged in facilitator-led training from credible sources on areas of Governance. Topics discussed included: Data Protection and Privacy matters, Cyber security, Anti Money laundering and Counter Finance Terrorism.

To better understand the business, in the year under review, the Board also held deep dive sessions on Continuity and Resiliency Plan pre and after the General

Elections, General Elections Planning, M-PESA and the operational environment in Ethiopia. A Board Education session was held on 29 September 2022 whereby directors were taken through the operating business environment; refresher of the Strategy – FY23 Mission and had an indepth discussion on the business performance per business unit. This was also an opportunity for the Board of Directors to engage out of the board room and build on their engagements as Directors. A market visit of the subsidiary in Ethiopia was held in October 2022 where the Board engaged with staff and attended the official launch of the subsidiary in Ethiopia.

In the year under review, each of the Directors who served for the full year was able to secure at least twelve (12) hours of training on areas of governance and regulatory compliance from the Company as prescribed by the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015.

Access to independent advice

The Board recognises that there may be occasions when one or more Directors considers it necessary to take independent advice on various matters such as legal or financial advice, at the Company's expense.

To assist the Directors to discharge their duties and responsibilities and to enable them to take informed decisions, the Directors are entitled to obtain independent legal, accounting or other professional advice at the Company's expense. The Board may conduct or direct any investigation to fulfill its responsibilities and can retain, at the Company's expense, any legal, accounting or other services that it considers necessary from time to time to fulfill its duties.

This is provided for in the Board Charter, the Terms of Reference of each Committee and the letter of appointment for each Director.

Governance Audit

The CMA Code provides that issuers of securities to the public are required to undertake periodic governance audits. Following extensive stakeholder consultation to consider the frequency, cycle, cost and scope of governance audits, the Capital Markets Authority (CMA) advised all issuers of a revision in the cycle of governance audits to at least once every two years with the option of CMA increasing or decreasing this frequency on a risk-based approach.

The Company undertook a governance audit which was conducted by Dorion Associates LLP who issued an unqualified report.

The Governance Audit Report was adopted by the Board of Directors on 28 October 2021. The audit confirmed that the Board has put in place a sound governance framework, which is in compliance with the legal and regulatory framework and in line with global best governance practices for the interest of stakeholders. The Board and various Committees continue to implement the recommendations from the Governance audit. The next governance audit will be undertaken for the financial year 2023/2024.

Legal and Compliance Audit

In compliance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, an internal Legal and Compliance Audit was carried out for the year ended 31 March 2023 with the objective of ascertaining the level of adherence to applicable laws, regulations and standards in order to deliver long term value to stakeholders. The findings from the audit confirmed that the Company was generally in compliance with the applicable laws and regulations.

Board evaluation

HOW WE SAFEGUARD VALUE



Corporate Governance Report (continued)

In line with the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Board undertook an independent annual evaluation of the performance of the Board. This was aimed at enabling the Board, the Committees and their respective members to gauge their performance and identify areas of improvement. The report is currently under review by the Board.

Corporate Governance Assessment Report

During the year 2022, the Capital Markets Authority assessed the status of implementation of the CMA Code by the Company for the year ended 31 March 2022. The assessment was based on a review of the following areas: commitment to good corporate governance (leadership rating of 67%); board operations and control (leadership rating of 78%); rights of shareholders (leadership rating of 87%); stakeholder relations (leadership rating of 87%); ethics and social responsibility (leadership rating of 96%); accountability, risk management and internal control (leadership rating of 87%); transparency and disclosure (good rating of 81%). The overall rating awarded to the Company was a leadership rating of 82% – a testament to the Board’s commitment to sound corporate governance practices.

The Company continues to implement the recommendations received from the CMA to improve its level of implementation of the recommendations under the CMA Code.

Directors’ shareholding

Directors can purchase or sell shares of the Company in the open market. None of the Directors as at the end of financial year under review held shares in their individual capacity of more than 1% of the Company’s total equity.

The breakdown of the Directors’ personal shareholding in the Company as at 31 March 2023 is as follows:

Name of Director	2023	2022
Peter Ndegwa	895,500	895,500
Rose Ogega	2,000	2,000
Karen Kandie	147,300	–
Winnie Ouko	101,831	–

BOARD COMMITTEES MEMBERSHIP AND MEETING ATTENDANCE

Board Committees

The Board has delegated authority to various Board committees to be able to undertake its mandate effectively and efficiently. During the year under review, the Board had two standing committees: Audit, Risk and Compliance Committee and Nominations, Remuneration and Governance Committee. Each committee has formal and approved terms of reference that sets out the roles and responsibilities and the procedural rules that apply to the committee.

Each Committee periodically reviews its terms of reference to ensure that they are in line with current legislation and best practice.

The committees are provided with all necessary resources to enable them to undertake their duties effectively.

Audit, Risk and Compliance Committee

Membership

As at 31 March 2023, the Audit, Risk and Compliance Committee consisted of four (4) non-executive directors. The committee continued to report to the Board

after every committee meeting. Immediately prior to 24 February 2023, in line with the Code of Corporate Governance for Issuers of Securities to the Public 2015, the committee comprised of at least three (3) Independent and Non-Executive Directors. The position changed, following various changes in the Board that took effect from 24 February 2023. The Committee was chaired by an Independent Non-Executive director with at least one (1) committee member holding a professional qualification in audit or accounting and in good standing with the relevant professional body.

Members as at 31 March 2023

- 1) Rose Ogega – Chairperson
- 2) Winnie Ouko
- 3) Raisibe Morathi

Secretary of the Committee: Kathyne Maundu

Permanent invitees:

- 1) Peter Ndegwa – Chief Executive Officer
- 2) Dilip Pal – Chief Financial Officer
- 3) Nicholas Mulila – Chief Corporate Security Officer
- 4) Denish Osodo – Director, Internal Audit
- 5) Ernst & Young – External Auditor

Functions of the Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee meets at least four times a year to discuss audit matters and four times to discuss risk matters. To fulfill its oversight responsibility, the committee receives reports from Management, the internal auditor and external auditors, as appropriate.

The responsibilities and role of the Audit, Risk and Compliance Committee includes:

- Monitor the integrity of the financial statements, including the review of significant financial reporting judgements;
- Provide advice to the Board on whether the Annual Report is fair, balanced and understandable and the appropriateness of the long-term viability statement;
- Review and monitor the external auditor’s independence and objectivity and the effectiveness of the external audit;
- Review the system of internal financial control and compliance;
- Monitor the activities and review the effectiveness of the Internal Audit function;
- Monitor the Company’s risk management system, review of the principal risks and the management of those risks.



A summary of the attendance of the members of the Audit, Risk and Compliance Committee for the meetings held in 2022/2023 is shown below:

	Rose Ogega	Winnie Ouko	Christopher Kirigua	Bitange Ndemo	Raisibe Morathi	Sitholizwe Mdlalose	Eng. Stanley Kamau	Karen Kandie
4 May 2022 (Audit)	√	√	√	√	√	√	-	-
6 May 2022 (Risk)	√	√	√	√	√	√	-	-
6 July 2022 (Risk)	√	√	-	√	Apology	√	-	-
13 July 2022 (Audit)	√	√	-	√	√	√	By Invitation	-
19 October 2022 (Risk)	√	√	-	√	√	-	Apology	-
3 November 2022 (Audit)	√	√	-	√	√	-	Apology	-
8 February 2023 (Risk)	√	√	-	√	√	-	-	-
22 February 2023 (Audit)	√	√	-	√	√	-	-	-
28 March 2023 (Audit)(Special)	√	√	-	-	√	-	-	By Invitation

- Christopher Kirigua ceased to be a member of the Committee with effect from 28 June 2022
- Eng. Stanley Kamau became a member of the Committee with effect from 28 July 2022, and ceased to be a member of the Committee with effect from 24 February 2023
- Sitholizwe Mdlalose ceased to be a member of the Committee with effect from 1 August 2022
- Prof. Bitange Ndemo ceased to be a member of the Committee with effect from 24 February 2023

Key Audit, Risk and Compliance Committee activities

During the financial year, the Committee substantively discussed the following matters:-

- Reviewed the half year results and full year results, audited accounts and related reports thereof
- Reviewed the interim and final dividend recommendations
- Reviewed the External Auditors Management Letter
- Reviewed the External Auditors' Interim Findings Report
- Discussed and approved the External Audit Service Plan for the year ending 31 March 2023
- Discussed and made recommendation to the Board on the approval of the external auditors fees
- Conducted a review of the external auditor's effectiveness and independence and made recommendation for the re-appointment of the External Auditor
- Reviewed and approved the Internal Audit plan for the year ending 31 March 2024
- Reviewed the Internal Audit Reports in every quarter and status against the approved internal audit plan
- Undertook an assessment of the Internal Audit Function and received the Feedback of the evaluation
- Reviewed the provisions of the Internal Audit Charter and approved the same
- Discussed the Related Party Transactions and made recommendations to the Board
- Reviewed the content of various Policy documents including AML Policy, Related Party Transactions Policy and Supply Chain Management policy
- Discussed in detail the Business Risk Updates including changes in the heat map
- Discussed various reports at the quarterly meetings that covered: Cyber Security Management Updates, AML/CFT Program Updates, Data Privacy program updates and Business Ethics and Compliance Updates
- Discussed significant litigations cases and liability thereof
- Reviewed and approved the Committee's work plan for implementation
- Reviewed the Terms of Reference of the Committee
- In camera sessions were held with the External and Internal Auditors

HOW WE SAFEGUARD VALUE

A
Snapshot of
Safaricom

About
our Report

Who
we Are

Message
from the
Chairman

Message
from the
CEO

Corporate Governance Report (continued)

Financial and business reporting

The Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Company's position throughout the Annual Report. It is appropriate to treat this business as a going concern as there is sufficient existing financing available to meet expected requirements in the foreseeable future.

The Committee is assigned to review financial, audit and internal control issues in supporting the Board of Directors which is responsible for the Financial Statements and all information in the Annual Report.

Risk management and internal control

The Board is responsible for maintaining sound risk management and internal control systems and determining the nature and extent of the risks that the Company is willing to take to achieve its strategic objectives. With the support of the Audit, Risk and Compliance Committee, the Board carries out a regular review of the effectiveness of its risk management framework and internal control systems, covering all material controls including financial, operational and compliance controls.

Risk registers, based on a standardized methodology, are used to identify, assess and monitor the key risks (both financial and nonfinancial) faced by the Business. Information on prevailing trends, for example whether a risk is increasing or decreasing over time, is provided in relation to each risk and all identified risks are assessed at five levels (extremely serious/ very serious/ serious/ minor/ not significant) by reference to their impact and likelihood. Mitigation plans are put in place to manage the risks identified and the risk registers are reviewed on a regular basis.

The Board, with advice from its Audit, Risk and Compliance Committee, has completed its annual review of the effectiveness of the risk management framework and internal controls for the year under review. No significant failings or weaknesses were identified, and the Board is satisfied that, where specific areas for improvement have been identified, processes are in place to ensure that the necessary remedial action is taken and that progress is monitored.

External Auditor

Messrs Ernst & Young are the Company's external auditor. The Audit, Risk and Compliance Committee considers that its relationship with the auditor worked well during the period and was satisfied with their effectiveness. The external auditor is required to rotate the audit partner responsible for the Company's audit at least every five years. The current lead audit partner has been in position since 31 July 2020. During the year under review, as guided by the External Auditor Management Policy (EAMP), the Committee and Management had undertaken an appraisal of the external auditor's performance based on their quality-of-service delivery, auditor independence among other aspects. Based on the evaluation results, the Committee was satisfied with the performance of the Company's external auditor and this position was endorsed by the Board.

Nominations, Remuneration and Governance Committee

Membership

As at 31 March 2023, the Nominations, Remuneration and Governance Committee consisted of four (4) non-executive directors. The Committee continued to report to the Board after every committee meeting. The Committee was chaired by an Independent Non-Executive director.

Members as at 31 March 2023

- | | | | |
|----|------------------|---|-------------|
| 1) | Winnie Ouko | – | Chairperson |
| 2) | Michael Joseph | | |
| 3) | Shameel Joosub | | |
| 4) | Francesco Bianco | | |

Secretary of the Committee:

Kathryne Maundu

Permanent invitees:

- | | | | |
|----|--------------|---|-------------------------------|
| 1) | Peter Ndegwa | – | Chief Executive Officer |
| 2) | Paul Kasimu | – | Chief Human Resources Officer |

Functions of the Nominations, Remuneration and Governance Committee

The Nominations, Remuneration and Governance Committee meets at least four times a year. The purpose of the committee is to assist the Board:-

- To review the balance and effectiveness of the Board and remuneration of Directors and senior management as well as the succession planning at board and senior leadership levels;
- Monitoring the size and composition of the board and its succession plans;
- Recommending individuals for nominations as members of the board and its committees;
- Reviewing executive appointments, succession and development plans and proposing the remuneration structures of executive and non-executive members of the Board.



A summary of the attendance of the members of the Nominations, Remuneration and Governance Committee for the meetings held in 2022/2023 is shown below:

	Winnie Ouko	Michael Joseph	Linda Muriuki	Francesco Bianco	Christopher Kirigua	Shameel Joosub
6 May 2022	✓	✓	✓	✓	✓	-
23 May 2022 (Special)	✓	✓	✓	✓	✓	-
19 July 2022	✓	✓	✓	✓	-	✓
25 October 2022	✓	✓	✓	✓	-	✓
10 February 2023	✓	✓	✓	✓	-	✓

- Christopher Kirigua ceased to be a member of the Committee with effect from 28 June 2022
- Shameel Joosub became a member of the Committee with effect from 28 July 2022
- Ms. Linda Muriuki ceased to be a member of the Committee with effect from 20 February 2023

Key discussions by the Nominations, Remuneration and Governance Committee

During the financial year, the Committee substantively discussed the following matters:-

- Reviewed the performance of the Chief Executive Officer and his remuneration thereof as well as the targets for FY2022/23
- Discussed and made recommendation to the Board on Employee Compensation and Bonus Review for the year 2022/2023 as well as changes to the bonus framework
- Discussed and approved the Share Grants Proposal for FY2022
- Reviewed the succession planning for the Senior Leadership Team (SLT)
- Reviewed the results of the interim employee opinion survey
- Led the process for identifying and nominating for approval by the Board of an independent director
- Discussed the skills matrix for current directors and the talent pool development for the Board
- Received updates on the implementation of the recommendations from the governance audit and board evaluation reports
- Undertook an assessment of the independence of the Independent Directors in line with the provisions of the Code
- Reviewed and made recommendation to the Board on the composition of the Board Committees
- Discussed various HR Thematic Areas including: succession planning for the SLT, Culture and Talent: Diversity and retention
- Reviewed the Terms of Reference of the Committee and made recommendation for the expansion of the Committee's mandate to include discussion of ESG matter which was subsequently approved by the Board
- Reviewed and approved the Committee's work plan for implementation

HOW WE SAFEGUARD VALUE

A Snapshot of Safaricom

About our Report

Who we Are

Message from the Chairman

Message from the CEO

Corporate Governance Report (continued)

Ad hoc committee

The Board is authorized by the Company's Articles of Association to form ad hoc or special committees to deal with specific matters.

The Board retains oversight authority over such committees. The Board Investment Committee was formed as an adhoc committee which reviews key projects and investments for the Company.

As at 31 March 2023, the Investment Committee consisted of four (4) Non-Executive Directors. The committee continued to report to the Board after every committee meeting. The Committee was chaired by a Non-Executive Director.

Members as at 31 March 2023

- 1) Michael Joseph – Chairperson
- 2) Shameel Joosub
- 3) Raisibe Morathi

Secretary of the Committee: Kathyrne Maundu

Permanent invitees:

- 1) Peter Ndegwa – Chief Executive Officer
- 2) Dilip Pal – Chief Finance Office
- 3) Michael Mutiga – Chief Business Development and Strategy Officer

A summary of the attendance of the members of the Investment Committee for the meetings held in 2022/2023 is shown below:

	Michael Joseph	Shameel Joosub	Linda Muriuki	Raisibe Morathi	Eng. Stanley Kamau
27 July 2022	√	√	Apology	√	By Invitation
2 November 2022	Apology	√	Apology	√	√
26 January 2023	√	√	Apology	√	√
24 March 2023	√	√	–	√	–

- Eng. Stanley Kamau became a member of the Committee with effect from 28 July 2022 and ceased to be a member of the Committee with effect from 24 February 2023
- Linda Muriuki ceased to be a member of the Committee with effect from 20 February 2023

Subsequent events

On 8 May 2023, the Board approved the reconstitution of its committee structure and membership. Key to note is that the number of committees has increased to five (5) from three (3). This is to ensure increased focus on the implementation of the mandate of each committee for the benefit of the Company as a whole, to create efficiencies in the reporting structure to the Board and allow for broader participation from all directors.

The committees and their membership is as follows:

	Audit Committee	Risk and ESG Committee	Nominations Committee	Human Resources Committee	Strategy, Innovations and Investment Committee
Shameel Joosub	–	√	√	√	√
Michael Joseph	–	–	–	√	√
Raisibe Morathi	√	√	–	–	√
Francesco Bianco	–	√	√	√	–
Karen Kandie	–	√	√	√	√
Rose Ogega	√	–	–	√	√
Winnie Ouko	√	–	√	√	√
Ory Okolloh	√	√	–	√	√

In line with best practice, the Chairman of the Board is not a member of any of the committees. The Chief Executive Officer is a permanent invitee to all the committees.



GOVERNANCE POLICIES

Besides complying with the Code and the laws, the Company has committed to embed internal rules of engagement to support corporate governance. These internal guidelines are constituted in various policies and in the Code of Business Conduct to which every employee, supplier and the Board makes a commitment to comply with.

Board Charter

The Board Charter is critical to Safaricom's governance framework, and offers guidance on matters including but not limited to the following:

- The separation of the roles, functions, responsibilities and powers of the board and its individual members;
- Powers delegated to the board committees;
- Matters reserved for final decision-making and approval by the board;
- Policies and practices of the board on matters of corporate governance, directors' declarations and conflict of interest, conduct of board and board committee meetings; and
- Nomination, appointment, induction, ongoing training and performance evaluation of the board and its committees.

The Charter is not a substitute or a replacement of any laws and regulations that govern the running of the Company. The Board Charter is periodically reviewed to ensure that it remains current.

Code of Ethics and Conduct

The Company pursues ethical decision making and leadership to promote corporate social responsibility, fair business practices, sustainability and the triple bottom line that focuses on the society, the environment and profitability. The Board has implemented a Code of Ethics and Conduct which binds Directors and Employees and is subscribed to by all members of the Company. Initiatives to ensure its application include training, monitoring, mechanisms for whistle blowing, taking disciplinary action, etc. The Code has been integrated into the Company's operations through the development of various policies and reporting mechanisms.

Safaricom Directors and employees are expected to act with honesty, integrity and fairness in all their dealings with one another and with stakeholders. When joining Safaricom, every employee is provided with a copy of the Code and must commit to abide by its requirements as part of the employment contract with the Company.

Board Policies

The Board has established policy and procedure documents to guide the Directors and Management in the implementation of their roles and responsibilities. A brief summary of the governance documents and their key provisions are listed below:

Non-Executive Directors Remuneration policy

The policy sets out guidelines and criteria for the compensation of the Non-Executive directors. The remuneration to be paid to the NEDs is guided by the findings of a survey conducted by an independent consultant and which is compared against the remuneration of a comparator organizations in the market. The findings of the survey are tabled and discussed in detail by the Board Nominations and Remuneration Committee.

In order to ensure that the Company remunerated its Non-executive Directors at the desired position to pay at least at the 75th percentile of the market.

Whistle Blowing policy

Safaricom has a whistle blowing policy that provides for an ethics hotline managed by an independent, accredited and external institution. Through the hotline, anonymous reports on unethical/fraudulent behaviour can be made without fear of retaliation from the suspected individuals.

Whistle blowing statistics are reported to the Ethics Committee and the Audit Committee on a quarterly basis. Staff members and business partners are also regularly sensitised on the need to report any suspected unethical business practices.

The whistleblowing policy provides a platform for employees, suppliers, dealers and agents to raise concerns regarding any suspected wrong doing, and the policy details how such concerns are addressed. The Board ensures that risks arising from any ethical issues are identified and managed in the risk management process.

The Whistleblowing policy has been uploaded on the Company's website.

Conflict of interest policy

Directors are obligated to fully disclose to the Board any real or potential conflict of interest which come to their attention, whether direct or indirect. All business transactions with all parties, directors or their related parties are carried out at arm's length.

Operational policies

There are broad operation policies that guide Management in execution of the Company's operations in an efficient and socially responsible manner. The policies cover various operational functions including: Human Resource, ICT, Risk Management, Financial Management, Sustainability, Environment, Safety and Health and Corporate Affairs.

Corporate Social Responsibility

Safaricom recognizes that Corporate Social Investment (CSI) issues are of increasing importance to its stakeholders and are fundamental to the continued success of the business. Thus, we have a CSI policy that ensures that we operate our business in a responsible manner at all times for the benefit of our customers, staff, suppliers, and the wider community. We exercise CSI by partnering with and investing in communities to find sustainable solutions. We also encourage our employees to take part in CSI initiatives aimed at improving the standards of living of the communities that they come from. Our CSI activities are disclosed every year in the social impact section of this report, sustainability and foundation reports.

Procurement policies

We have in place procurement policies that promote a fair and transparent procurement process, with emphasis on value for many and building mutually beneficial relationships with our suppliers.

A Management Tender Committee oversees the award of tenders and there is appropriate Risk assurance for procurement activities.

HOW WE SAFEGUARD VALUE



Corporate Governance Report (continued)

Insider trading policy

As a listed company, Safaricom is obliged under the Companies Act 2015 to require that the Directors and certain other employees with inside information do not abuse or place themselves under suspicion of abusing insider information that they may have or be thought to have.

This is especially so in periods leading up to an announcement of financial results. To this end, the Company has a policy on insider trading. Directors and staff are made aware that they ought not to trade in the Company's shares while in possession of any material insider information that is not available to the public or during a closed period. To ensure compliance with the Companies Act, 2015 the Company communicates 'open' and 'closed' periods for trading in its shares to its employees and Directors on an annual basis. To the best of the Company's knowledge, there was no insider dealing in the financial year under review.

Shareholder relations

We believe that good corporate governance is critical, not only at the corporate level but also at the national level. We require our partners to adhere to the highest level of integrity and business ethics in their dealings with us or with others.

In the financial year under review, we continued to achieve high levels of corporate governance by focusing on the following areas:

- Continuing to implement our strategy for the long term prosperity of the business
- Timely and relevant disclosures and financial reporting to our shareholders and other stakeholders for a clear understanding of our business operations and performance
- Ensuring execution of strong audit procedures and audit independence
- Strong internationally recognized accounting principles
- Focus on clearly defined Board and management duties and responsibilities
- Focusing on compliance with relevant laws and upholding the highest levels of integrity in the Company's culture and practice

Relationship and communication with shareholders

Safaricom remains committed to relating openly with its shareholders by providing regular as well as ad hoc information on operating and financial performance and addressing any areas of concern. This is achieved through the following:

- Safaricom hosted investors for an Investor Day on 15 February 2023 where both international and local shareholders participated physically as well as virtually.
- Interim and annual results and publication of extracts of its financial performance in the daily newspapers, preparation of annual audited accounts and holding of the annual general meeting.
- Copies of the annual reports are made available to shareholders at least 21 days before the date of the AGM and they are free to raise questions to the board during the meeting.
- The Company has a well-established culture on shareholder management which is handled by the Internal Investor Relations team, supported by the Company Secretary's office and the Shares Registrars, Image Registrars Limited.
- The Safaricom website has a specific webpage dedicated to the information requirements of the shareholders and investment analysts.
- Investor briefing sessions are held immediately after the announcement of interim and full year results.
- Local and international investor road shows are held after interim and full year results announcements; representatives of the Company's senior leadership team in collaboration with known stock brokerage firms organise meetings with institutional investors, individual shareholder groups and financial analysts.
- The Board of Directors encourages shareholder participation at the Company's annual shareholder meetings.

The Company's Annual General Meeting (AGM) is an opportunity for shareholder engagement when the Chairman and the Chief Executive Officer explain the Company's full year performance and receive questions from shareholders.

The Chairpersons of the Audit, Risk and Compliance Committee and Nominations, Remuneration and Governance Committees are normally available at the AGM to take any relevant questions. All other Directors also attend, unless illness or pressing commitments preclude them from doing so.

During the investor briefings that were held in the year under review, shareholders and stakeholders were keen to hear more on the Ethiopia expansion, M-PESA performance, macro and regulatory environment, GSM business, the competitive landscape and market share, IFC disclosure, the country's state post-election and dollar shortage and the latest developments in industry regulation.



Director's Remuneration Report

FOR THE YEAR ENDED 31 MARCH 2023

1.1 INTRODUCTION

The key objective of the Board Nominations, Remuneration and Governance Committee (BNRGC) is to make sure that the Board comprises of individuals with the necessary skills, knowledge and experience to ensure that it is effective in discharging its responsibilities and to review the remuneration of directors and senior management as well as the succession planning at board and senior leadership levels.

The members of the Committee during the year are indicated on page 158. The Committee's responsibilities have been set by the Board and are outlined in the Board Charter and the Terms of Reference of the Committee, which are both available on the Company's website.

1.2 Directors' Remuneration Report

1.2.1 Report Preparation

The Directors' Remuneration report has been prepared to enlighten the shareholders on the remuneration payable to both the Executive and Non-executive Directors. It is the view of the Committee and the Board that the Company's reward arrangements best support our business effectiveness by only delivering above target payouts when this is justified through Company performance and the current policy will support the implementation of the Company's short term and long-term objectives.

The Directors' Remuneration Report is unaudited except where otherwise stated.

1.2.2 Regulatory Compliance

In March 2016, the Capital Markets Authority ("CMA") issued the Capital Markets Code for Issuers of Securities ("The Code") which became operational twelve months after its gazette. The Code outlines various compliance requirements with respect to the remuneration of directors.

The Companies Act, 2015 which was enacted in September 2015 and became operational in June 2016, requires the Company to table a Directors' Remuneration report to its shareholders as part of its audited financial statements.

The Committee has prepared this report in accordance with the requirements of the Code and the Companies Act 2015 ("the Act").

1.2.3 Current policy

The Company's current Remuneration policy reflects a commitment to the following principles:-

- a) ensuring our remuneration policy, and the manner in which it is implemented, drives the behaviors that support our strategy and business objectives;
- b) maintaining a "pay for performance" approach to remuneration which ensures our incentive plans only deliver significant rewards if and when they are justified by business performance;

- c) aligning the interests of our senior management team with those of shareholders by developing an approach to share ownership that helps to maintain commitment over the long term; and
- d) offering competitive and fair rates of pay and benefits.

1.2.4 Remuneration for Non-Executive Directors

The Company's Non-Executive Directors' (NEDs) are compensated in the form of fees but are not entitled to any pension, bonus or long term incentives such as performance share plans. The package covers a director's role in the Board, any Board Committee(s) and any other activities as identified in the approved compensation schedule and in line with the Non-executive Directors Remuneration policy. Elements of the compensation schedule include the following:-

- a) Annual retainer fee for the Chairman and other non-executive directors, which is paid on a quarterly basis;
- b) Sitting allowances for Board and Board Committee meetings;
- c) Expenses incurred with respect to travel, accommodation, pre-approved consultancy fees or other expenses incurred as a result of carrying out duties as a Director are reimbursed at cost.

The Company's policy is to remunerate its Non-executive Directors at the desired position, to pay at least at the 75th percentile of the market. This ensures that the Company is competitive in sourcing and retaining its Directors.

The Non-executive Directors remuneration was last reviewed in 2021. The current compensation structure was determined following a benchmarking exercise with comparable entities that was undertaken in 2021 by PricewaterhouseCoopers (PwC) and which was discussed substantively by the Nominations, Remuneration and Governance Committee in July 2021. The Board approved the revised compensation package for the Non-Executive Directors on 23 August 2021. The revised compensation was approved by the shareholders at the 2022 Annual General Meeting that was held on 29 July 2022.

Details of the fees for the non-executive directors and remuneration of the executive directors paid in the financial year under review are set out on the financial statements part of the annual report.

GOING CONCERN

The Board confirms that the financial statements are prepared on a going concern basis and is satisfied that the company has adequate resources to continue in business for the foreseeable future. In making this assessment, the directors consider a wide range of information relating to present and anticipated future conditions, including future projections of profitability, cash flows, capital and other resources.