

ZENITH BANK PLC

REMUNERATION POLICY

Adopted by the Board on February 5, 2015

INTRODUCTION

This document deals with the Bank's general remuneration policy.

This policy contains a description of the basic principles of the Bank's remuneration policy and particularly with respect to executive and non-executive board members, and a detailed presentation of the different elements comprising their remuneration.

The Bank's Board of Directors is conscious of the importance of good corporate governance in its business and the conduct of its affairs in the best interest of the company and its shareholders.

The board may modify the remuneration of directors and, in the case of executive directors, any additional remuneration for their executive duties and other terms and conditions contained in their contracts.

Board Governance Nominations and Remuneration Committee

For the purposes of this policy, the Board Governance Nominations and Remuneration Committee is one of the key committees, helping the board in the business relating to appointing directors and to paying them.

This committee is made up of a minimum of four members, who are appointed by the Board of Directors. All the committee members are Non-Executive Directors.

The current members of the Committee are as follows:

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|------|--------------------------------------|---|----------|
| i. | Sir Steve Omojafor | - | Chairman |
| ii. | Chief (Mrs) Chinyere Asika (IND NED) | - | member |
| iii. | Prof. Chukuka Enwemeka | - | member |
| iv. | Alhaji Baba Tela (IND NED) | - | member |

This committee meets as often as necessary to carry out its duties and is often convened by its chairman.

The Bank's remuneration system is informed by the following principles:

- Long-term value creation.
- To remunerate achievement of results on the basis of prudent, responsible risk bearing.
- Attract and retain the best professionals.
- Benchmark performance against the market using analyses from prestigious consultancy firms specialising in remuneration.
- Ensure transparency in its remuneration policy.

The Bank's remuneration policy is structured taking into account the environment in which it operates and the results it achieves at the end of each financial year. It includes the following elements:

- Fixed remuneration based on the level of responsibility, which constitutes a relevant part of total pay.
- Variable annual remuneration linked to the achievement of previously established targets and prudent risk management.

The combination of these elements comprises a balanced remuneration system reflecting the Bank's strategy and its values as well as the interests of its shareholders.

The main characteristics of these elements in the total remuneration are listed below:

Fixed remuneration

The fixed remuneration in Zenith Bank is established taking into account the level of responsibility and the professional level of the employee within the Bank. A wage benchmark is established for each position/level, reflecting its value to the organisation. It entails the base salary and allowances payable either monthly and in areas or annually in advance as the case may be.

Variable annual remuneration

The variable annual remuneration rewards the creation of value in the Bank. It recognises the contributions made by individuals, teams and the aggregation of these based on annual targets. It comprises profit sharing/productivity bonus payable annually.

There are two kinds of annual targets: financial indicators (Group and Unit) and non-financial indicators specific to the Unit. These are weighted more than the financial indicators in the following Units: Audit, Regulatory Compliance, Finance Department, Legal Services, Company Secretariat, Risk management group and other Operations Department.

The remuneration system described above is applied to the entire Zenith bank staff, adapted to different posts according to their levels of responsibility and professional development.

Zenith Bank remuneration policy for members of the Board of Directors distinguishes between the remuneration of executive directors and non-executive directors.

Remuneration policy for executive directors

The system established to remunerate executive directors places a premium on their executive duties. It applies remuneration guide used by listed companies as well as best practice to pay their senior staff.

The remuneration policy for executive directors considers various elements, including the following:

- Fixed remuneration, taking into account the level of responsibility, and ensuring this remuneration is competitive with remuneration paid for equivalent posts in banks of equivalent status both within and outside Nigeria.
- Variable annual remuneration linked to the Zenith Bank financial results. The amount of this remuneration is subject to achieving specific quantifiable targets, aligned directly with shareholders' interests.

The structure of executive-directors' remuneration is in line with the general policy for senior-management remuneration.

The contracts signed with each director determine their respective remunerations and entitlements.

Fixed remuneration

Each year, the Board Governance Nominations and Remuneration Committee, considers how the executive directors' fixed remuneration might be reviewed on the basis of analyses and studies intended to establish the most suitable remuneration levels.

The Committee takes other factors into account, such as the average increase in the remuneration of management committee members and the specific characteristics of each post, as well as the remuneration information supplied by the consultancy firms engaged by the bank and/or on the basis of peer review in the industry.

Variable annual remuneration

The standards for variable annual remuneration applicable to executive directors approved by the Board of Directors contain the same elements established under the general system for the Bank's senior management. However, they also recognise the specificities of each executive director's situation, defining a scheme for each case, within the corporate framework. Targets are established and the individual performance of each executive director is evaluated accordingly.

The targets to determine the annual variable remuneration of executive directors are established by the Staff, Welfare and General purpose Committee of the Board on the basis of information on the metrics of variable annual remuneration in the large international banks of equivalent status and their evolution over time. These are then submitted for the approval of the Board of Directors.

Other remuneration

Zenith Bank's executive directors are entitled to benefit from the reward schemes established for the Bank's senior management in general and other remunerations such as status cars, insurance, etc.

Note: That Executive Directors are not paid either sitting allowances in line with global best practice.

Zenith Bank has set up a remuneration system tailored to the posts of non-executive Zenith Bank directors, different from the system for the executive directors. It is based on their responsibilities and dedication.

Remuneration policy for non-executive directors

The remuneration policy for non-executive directors is not intended to reward attendance at meetings via per diem payments. Rather, it is based on criteria measuring responsibility and dedication. There are two elements to the said policy:

Annual Remuneration

Non-executive directors receive an annual payment for sitting on the Bank's board, and another fixed amount for their membership of different committees. Chairing a committee is given a higher weighting.

The component is as follows:

- Fixed annual remuneration for occupying a seat on the board and another for belonging to the different committees. Greater weighting is applied to chairing committees.

The annual fee is in addition to the regular sitting allowances for each Board and Committee meetings.

- A scheme that comprises
 - (a) Medical Insurance
 - (b) A status car
 - (c) Annual vacation Allowance for Director and spouse

The Board of Directors periodically reviews these fixed components in order to ensure they keep up with changing market circumstances.

REVIEW

The above notwithstanding, the Board Governance Nominations and Remuneration Committee, in performance of its duties under the Board Charter, periodically reviews the Board of Directors' remuneration policy. It puts to the Board any proposals it deems timely with respect to the items included and the amount earmarked to them, taking into account the current market scenario and the Company's earnings.