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**BOARD CHARTER**

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of

**EAAGADS LIMITED**

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## 1. INTRODUCTION

### 1.1 Statement on Good Governance

1.1.1 The Company is devoted to good corporate governance and to complying with applicable laws, regulations and codes of industry and international best practice. In a bid to promote and ensure good corporate governance within the Company, the Board of Directors of the Company and the Company's subsidiaries (hereinafter referred to as the **Board**) has adopted the Capital Markets Authority Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (the **CMA Code**).

1.1.2 The Board together with the senior management team and the officers of the Company and its subsidiaries commit themselves to the principles and international best practices contained in this Board Charter and acknowledge that the same are important to the attainment of our corporate goals.

1.1.3 The Board strongly believes that corporate governance is a critical component of sound strategic business management and will therefore undertake every effort necessary to implement and heighten awareness of these principles in the Company and its subsidiaries at every opportunity.

### 1.2 Objectives of the Charter

1.2.1 This Board Charter serves to institutionalise the principles of good corporate governance in the entire organization. This Board Charter is designed to assist senior management and the Board members to fully understand the Company's corporate governance structure and policies.

### 1.3 Definitions and Interpretation

1.3.1 The capitalised terms "Board of Directors", "Board" and "Eaagads Board" refer to the board of directors of the Company. For the avoidance of doubt, all processes, procedures, and policies set out herein apply in the same manner to all of its subsidiaries *mutatis mutandis*, including all project subsidiaries and joint ventures in which Eaagads participates. It is the responsibility of Eaagads executives and subsidiary board appointees to ensure that this Board Charter is adhered to.

1.3.2 Any reference in this document to "Board approval" of any matter means explicit written approval by the Board either in the form of a unanimous written resolution or a documented Board-approved minute of a Board decision taken at a properly constituted Board meeting. Oral discussion of a matter with directors or at a Board meeting does not constitute "Board approval" nor does approval by a single director.

## 2. STRUCTURE AND COMPOSITION OF THE BOARD

### 2.1 Size and Composition of the Board

2.1.1 The Board shall comprise of at least three (3) directors and not more than five (5) directors unless otherwise determined as provided in the Company's Articles of Association.

2.1.2 The Board should compose of a balance of executive directors and non-executive directors (including at least one third independent and non-executive directors) of diverse skills or expertise.

2.1.3 The Board composition should take into consideration the CMA Code and, further, should be sensitive to diversity, it should have a national outlook and should not be perceived to represent single or narrow community interests.

2.1.4 The maximum age of any director shall be seventy (70) years, provided that if a serving director's tenure is in progress at the time when he/she attains the age of seventy (70) years, the director will be entitled to remain in office until the end of his/her current one-year term and thereafter, shall not be eligible for re-election.

## 2.2 **Selection and Appointment of Board Members**

2.2.1 The Board is committed to refreshing its membership, as appropriate, and shall recommend Directors for appointment by the shareholders at the Annual General Meeting. The Board on the recommendation of the Nomination and Governance Committee, has the power from time to time, to appoint any person to the position of Director either to fill a casual vacancy or as an addition to the existing Directors, subject to shareholder approval at the next Annual General Meeting.

2.2.2 All appointments including those of alternates should be considered by the Nominations and Governance Committee prior to tabling the proposed directors to the Board.

2.2.3 In selecting a board member, the Nominations and Governance Committee should consider:

2.2.3.1 only persons of calibre, credibility and who have the necessary skills and expertise to exercise independent judgment on issues that are necessary to promote the Company's objectives and performance in its area of business.

2.2.3.2 candidates for directorship proposed by the country head and shareholders.

2.2.4 Each Board member shall be appointed in writing and must signify acceptance of his/her appointment in writing prior to issuance of relevant documentation on the agreed terms of the appointment. Non-Executive Directors do not have service contracts with the Company but instead have Letters of Appointment which are open to inspection at the Company's registered office upon notice.

2.2.5 The criteria for selection of a board member is provided in detail in the Board Appointment and Removal Policy.

2.2.6 The Company shall within 24 hours from approval by the Board notify the Capital Markets Authority of a director's appointment.

## 2.3 **Appointment of Alternate Directors**

2.3.1 In accordance with the company's Articles of Association, a Board member may appoint an Alternate Director to be his/her alternate and act in his/her place at any meetings of the Board at which the Director is unable to attend. Such Alternate Director shall be an individual vetted by the Nominations & Governance Committee and approved by the Board and shall discharge the obligations placed upon the appointing Director. Alternate Directors shall not be appointed as members of the Audit & Risk Committee.

2.3.2 An Alternate Director shall receive notice of the Company's General Meetings and shall during his/her appointment be an officer of the Company responsible for his/her own acts and defaults.

#### 2.4 **Term Limits for Board Members**

2.4.1 At the annual general meeting in every year, one-third of the Board members or, if their number is not a multiple of three, the number nearest to but not greater than one-third, shall retire from office in accordance with the Company's Articles of Association.

2.4.2 The term of office of the Board members shall be organised in a manner that ensures that there is a smooth transition.

2.4.3 The resignation notice period for an incumbent Chairperson of the Board of Directors shall be three (3) calendar months.

2.4.4 The renewal of a Board member's tenure for a second term should be subject to a favourable evaluation and on the recommendation of the Nominations and Governance Committee.

2.4.5 A director shall serve as a Board member for a maximum of nine (9) years of three (3) year terms.

#### 2.5 **Removal/Resignation of Board Members**

2.5.1 The Board may recommend the removal of a member based on non-performance, non-attendance of meetings, unethical conduct or as set out in any constitutive documents or applicable law.

2.5.2 The office of director shall be vacated by resignation, statute, death or under the provisions of the Companies Act, 2015, the Company's Articles of Association and as provided in the Company's Board Appointment and Removal Policy.

2.5.3 The Company shall within 24 hours from approval by the Board notify the Capital Markets Authority of a director's resignation.

2.5.4 Any director who is removed from office for any reason continues to be subject to the duty to avoid conflicts of interest or the exploitation of any property, information or opportunity that he/she became aware of while a director of the Company; and, not to accept benefits from third parties on things done or omitted to be done before ceasing to be a director of the Company.

#### 2.6 **Multiple Directorships**

2.6.1 To ensure effective participation in Board matters, Non-Executive Directors of the Company shall not hold directorships in more than three (3) public listed companies at any one time, while Executive Directors of the Company shall not hold a directorship in more than two (2) public listed companies.

2.6.2 The Chairperson of the Board shall only Chair the board of two (2) public listed companies at any one time, to permit him/her devote sufficient time to steering the respective boards. All Directors must promptly disclose outside directorships and inform the Chairperson or the Company Secretary of any changes to these directorships.

## 2.7 **Induction of Board Members**

- 2.7.1 Newly appointed directors should be provided with necessary orientation in the area of the Company's business in order to enhance their effectiveness in the board.
- 2.7.2 The Chairperson of the Board and the Company Secretary shall be responsible for ensuring that newly appointed directors have been properly oriented.

## 2.8 **Liability of Board Members**

- 2.8.1 A Board member shall not be liable for any act done in good faith in carrying out duties and responsibilities in the Company. However, there is no limitation of liability for negligence or breach of the member's duty of care to the Company or its stakeholders, or for acts or omissions not in good faith, or which involves intentional misconduct or violation of the law.

## 3. **ROLE OF THE BOARD**

### 3.1 **Responsibilities of the Board**

- 3.1.1 The Board should assume the overall responsibility of ensuring the profitability and sustainability of the business of the Company in the long term. In order to achieve this, the Board should accord sufficient time to their functions and take up the following responsibilities:
  - 3.1.1.1 defining the Company's mission, goals, strategy, objectives and risk policy plans;
  - 3.1.1.2 approving of the Company's annual budgets;
  - 3.1.1.3 oversee the Company's management and operations, management accounts, major capital, expenditures and review corporate performance ;
  - 3.1.1.4 approve the organisational structure;
  - 3.1.1.5 approve major capital expenditures;
  - 3.1.1.6 review the Company's performance at least on a quarterly basis;
  - 3.1.1.7 identify business opportunities and principal risks in its operating environment;
  - 3.1.1.8 implementing of appropriate measures to manage risks or anticipated changes in the Company's operating environment;
  - 3.1.1.9 development staffing and remuneration policies for the country head and senior employees of the Company;
  - 3.1.1.10 approve, periodically review and maintain a clear succession plan for the members of the Board, Country head and senior Management of the Company;
  - 3.1.1.11 review on a regular basis the adequacy and integrity of the Company's internal control systems and management information systems including compliance with applicable laws, regulations, rules and guidelines; and

- 3.1.1.12 establish and implement a system that provides necessary information to the shareholders including shareholder communication policy for the Company;
- 3.1.1.13 monitoring the effectiveness of the corporate governance practices under which the Company operates and propose revisions as may be required from time to time;
- 3.1.1.14 ensure availability of adequate resources for the achievement of the organisation's objectives; and
- 3.1.1.15 generally, abide by statutory, fiduciary, and common law duties and all legal obligations relevant to the Board of a public limited and listed company.

3.1.2 In carrying out its duties, the Board must

- 3.1.2.1 exercise their role collectively and not individually; and
- 3.1.2.2 take into account the interests of the Company's stakeholders.

## 3.2 **Duties of Individual Board Members**

3.2.1 Each Board member must:

- 3.2.1.1 act in the best interests of the Company and the Company's shareholders;
- 3.2.1.2 exercising the highest degree of care, skill and diligence in discharging their duties;
- 3.2.1.3 act honestly at all times and avoid conflict of interests;
- 3.2.1.4 exercise independent judgment at all times;
- 3.2.1.5 devote sufficient time to carry out their responsibilities;
- 3.2.1.6 regularly update their knowledge and enhance their skills;
- 3.2.1.7 promote transparency and accountability at Board level;
- 3.2.1.8 promote teamwork within the Board and the organisation;
- 3.2.1.9 promote and protect the image of the organisation; and
- 3.2.1.10 to maintain the confidentiality of all information availed to them by virtue of their position as Board members.

3.2.2 In exercising their duties, each Board member must understand and accept the principle of collective responsibility.

## 4. **PERFORMANCE EVALUATION**

4.1 The Board, through the Nominations and Governance Committee, shall on an annual basis review its required mix of skills and expertise that the directors bring to the board and make disclosure of the same in the annual report.

- 4.2 The Board shall implement a process of assessing the effectiveness of the Board as a whole, the committees of the Board, as well as the performance of each individual director.
- 4.3 The Board shall also implement a process of assessing the effectiveness of the Chairperson, Country Head (and equivalent) and the Company Secretary.
- 4.4 The Nominations and Governance Committee shall be responsible for evaluation and assessment of the Board, the Chairperson, each Director, Country Head and the Company Secretary.

5. **DIRECTOR ORIENTATION AND EDUCATION**

- 5.1 The Chairperson should ensure that the Board members are properly inducted and that they are familiar with the area of the Company's business in order to enhance their effectiveness in the board.
- 5.2 The Chairperson should ensure that the Board members' skills and knowledge are continually developed to enhance effectiveness. To effect this:
  - 5.2.1 the directors will undergo formal training of at least twelve (12) hours in each calendar year; and
  - 5.2.2 the trainings should ensure that the competence needs assessment is carried out and an annual development program is put in place.
- 5.3 The Company shall provide the necessary resources for implementing such training programmes.

6. **CONFLICT OF INTEREST AND TRANSPARENCY AND DISCLOSURE**

- 6.1 Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the Company.
- 6.2 A Board member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Board. When reporting, the Board member will be required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict
- 6.3 A Board member is required to disclose to the Company Secretary any other directorships that the director may hold in any other company including public listed companies.
- 6.4 A Board member that is conflicted shall abstain from decisions relating to the matter.
- 6.5 The Company Secretary shall keep a record of conflicts of interest declared, for accountability purposes, and as a matter of good practice, the Directors shall regularly disclose to the Board, for recording any other business or interest that is likely to create a potential conflict of interest.

7. **ROLE OF THE CHAIRPERSON**

- 7.1 The Chairperson for the Board shall be appointed by the Board of Directors.
- 7.2 The role of the Chairperson is to:
  - 7.2.1 providing overall leadership to the Board;

- 7.2.2 play a key role in determining the agenda of Board meetings;
- 7.2.3 acting as the chair of all Board and shareholders' general meetings;
- 7.2.4 guiding the decision making process at Board meetings and general meetings and, where it is extremely necessary, use the casting vote;
- 7.2.5 encourage board members to participate fully in Board deliberations;
- 7.2.6 harness the collective skills of the Board and its committees;
- 7.2.7 monitor the performance of the Country Head and the senior management and lead in evaluation of their performance;
- 7.2.8 ensuring effective induction of new Board members in accordance with the agreed induction programme;
- 7.2.9 ensuring training and skills development for the Board members;
- 7.2.10 maintaining a close independent working relationship with the County Head; and
- 7.2.11 acting as the information link between the Board, management and the shareholders.

## 8. **ROLE OF THE COUNTRY HEAD**

- 8.1 The role of the Country Head is to:
  - 8.1.1 formulate strategy and policy for Board approval;
  - 8.1.2 ensure a clear flow of information between management and the Board in order to facilitate both quantitative and qualitative evaluation and appraisal of the Company's performance;
  - 8.1.3 implement and communicate policies and strategies approved by the Board;
  - 8.1.4 prepare budgets, business proposals and submissions for Board approval;
  - 8.1.5 achieve the Company's financial and operating goals and objectives;
  - 8.1.6 ensure continuous improvement in the quality and value of the products and services provided by the Company;
  - 8.1.7 oversee personnel matters including hiring and firing of senior staff and ensuring that the Company has an effective management team structure and succession plan;
  - 8.1.8 maintain proper internal controls;
  - 8.1.9 maintain a conducive work environment for attracting, retaining and motivating staff; and
  - 8.1.10 nurture a corporate culture that promotes ethical practice.

8.2 Transition of the Country Head

8.2.1 The term of office of the Country Head shall be organised in a manner that ensures that there is a smooth transition.

8.2.2 The resignation notice period for an incumbent Country Head shall be six (6) calendar months.

9. **DIRECTOR COMPENSATION AND REIMBURSEMENT**

9.1 The Board shall assign a mandate to the Nominations and Governance Committee to recommend to the Board the remuneration of the executive directors and the structure of their compensation package.

9.2 The approval of the remuneration for the non-executive and independent directors shall be a matter for the whole Board.

9.3 The remuneration of the executive director shall include an element that is linked to corporate performance including a share option scheme so as to ensure the maximization of the shareholders' value.

9.4 In considering the remuneration of non-executive directors the Nominations and Governance Committee shall consider:

9.4.1 remuneration shall be sufficient to attract and retain highly qualified directors;

9.4.2 remuneration that is competitive and in line with remuneration for other non-executive directors in the same industry; and

9.4.3 remuneration that is aligned with the business strategy and long-term objectives of the Company.

9.5 The consolidated total remuneration of the directors should be disclosed to the shareholders in the annual report specifying:

9.5.1 the total remuneration for executive directors; and

9.5.2 the total fees for non-executive and independent directors.

10. **PRACTICES OF THE BOARD**

10.1 **Committees of the Board**

10.1.1 The Board shall establish committees of directors (by whatever name called) to assist the Board in performing its duties, who shall report to the Board, with written terms of reference, which deal clearly with its authority and duties. There are two committees i.e. the Audit & Risk Committee and Nominations & Governance Committee. The Board may establish ad-hoc committees on a need basis.

10.1.2 The Board shall appoint the chairperson of each Committee. In the absence of the Chair, Committee members shall choose one amongst their number to chair any meeting.

- 10.1.3 The Board is collectively responsible for any decision taken by any Committee. A Committee may only perform the tasks delegated to it by the Board and should not exceed the authority conferred on it or the Board. Decisions which by law should be made by the main Board are not delegated to a Committee.
- 10.1.4 Each committee shall inform the Board of the actions it has taken and any major or material developments which come to its knowledge. The Board shall receive periodic reports from each Committee describing the Committee's actions and findings on any matter and matters for noting or approval.
- 10.1.5 The Board shall determine the procedure and process within which Committees may take independent professional advice at the Company's expense.
- 10.1.6 Unless otherwise authorised by the Board, all the recommendations of Committees may be ratified by the Board to facilitate implementation by Management.
- 10.1.7 Unless circumstances dictate otherwise, no director will be eligible to serve in more than three (3) Committees simultaneously.

10.2 **Committee Terms of Reference**

- 10.2.1 The Board has put in place and shall periodically review terms of reference for each Board committee. The terms of reference articulate the roles and responsibilities of the respective Committee, its composition and mode of operation. The Terms of reference of each Committee are set out below.

10.2.1.1 **Audit & Risk Committee**

The Audit & Risk Committee's purpose is to assist the Board in carrying out its responsibilities with respect to the management of business risks and internal controls and the conduct of business in accordance with the applicable corporate governance and ethical business conduct standards and rules. The Committee's terms of reference are attached to this Board Charter as **Appendix 1**.

10.2.1.2 **Nomination & Governance Committee**

The Nominations & Governance Committee primarily makes recommendations to the Board on suitable candidates for appointment to the Board and its Committees ensuring that all have an appropriate balance of expertise and ability. It is also responsible for annually assessing the independence of Board members, reviewing succession plans for Board members and evaluating the effectiveness of the Board and of the Directors in the discharge of their responsibilities. The Committee is also responsible for the management and implementation of the Board's Environmental, Social and Governance (ESG) agenda in accordance with applicable laws, regulations and standards. The Committee's terms of reference are attached to this Board Charter as **Appendix 2**.

10.3 **Board Work Plan**

10.3.1 The Board members must ensure that an annual Board work plan is developed. The Board work plan should be approved by the Board. The work plan shall include:

- 10.3.1.1 The Board and Board Committees meeting schedule;
- 10.3.1.2 Formulation and review of the strategic plan;
- 10.3.1.3 Assessment and monitoring of Management's implementation of strategies, policies and plans;
- 10.3.1.4 Risk assessment and management which includes financial reports, the annual report and the Company's full year forecast;
- 10.3.1.5 Reporting of Board Committees;
- 10.3.1.6 Policy making and review;
- 10.3.1.7 Review of the corporate governance practices in place including, board evaluation, succession planning, declaration of interest, CMA Corporate Governance Compliance report, compliance with the Company's Standards of Business Conduct, etc.
- 10.3.1.8 Approval and review of Policies;
- 10.3.1.9 Oversight over the Company's provident funds;
- 10.3.1.10 Stakeholder communication; and,
- 10.3.1.11 Board training and development.

10.4 **Common Seal of the Company**

10.4.1 The common seal of the Company shall be kept as directed by the Board and only used as may be directed by the Board. The Common seal of the Company shall be authenticated by the signature of the Country Head and the Chairperson of the Board or any other officer authorized by the Board.

10.5 **Board and Committee Meetings**

10.5.1 **Meetings of the Board**

- 10.5.1.1 The Board shall meet at least four (4) times annually. Special meetings of the Board may be convened to deal with urgent matters where necessary.
- 10.5.1.2 The quorum for Board meetings unless fixed at any other meeting shall be two (2) directors present.
- 10.5.1.3 The agenda for Main Board meetings is set by the Chairperson in consultation with the Country Head and the Company Secretary. Notice of Board meetings confirming the venue, time and date, together with an agenda of items to be discussed and copies of all Board papers, shall be sent to the Board and to all other attendees as appropriate, at least five (5) working days

before the meeting. Minutes of Board meetings shall be circulated to Members within ten (10) working days following the meeting.

10.5.1.4 The Board members should:

10.5.1.4.1 dedicate adequate time and effort for meetings; and

10.5.1.4.2 attend Board meetings as regularly as required and at least quarterly in order to effectively lead the organisation.

10.5.1.5 The Chairperson shall chair all Board meetings and in their absence or inability to chair for whatever reason, the members present shall appoint one of their number to preside over the meeting.

10.5.1.6 Questions arising at any Board meeting shall be determined by a majority of votes. In case of an equality of votes the Chairperson shall have a second or casting vote.

10.5.1.7 The Country Head is responsible for implementation of the Board's decisions and may delegate such implementation to the Leadership Team. The Board is responsible for monitoring implementation of its resolutions.

#### 10.5.2 **Committee Meetings**

10.5.2.1 The Chairperson for each of the Committees shall be appointed by the Board.

10.5.2.2 Each Committee shall meet at such frequency as set out in its Terms of Reference. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.

10.5.2.3 Notice of each Committee meeting confirming the venue, time and date, together with an agenda of items to be discussed and copies of all Committee papers, shall be sent to all members of the Committee, and to all other attendees as appropriate, at least five (5) working days before the meeting.

10.5.2.4 The agenda for each Committee meeting shall be determined by the Chairperson considering the views of other Committee members as appropriate. The quorum for any Committee meeting shall be a minimum of two (2) members or such other higher number as set out in the respective Committee Terms of Reference.

10.5.2.5 Minutes of the meeting of the Committee shall be circulated to Members within five (5) working days following the meeting. The Committee's Secretary shall keep a record of all minutes of Committee Meetings.

10.5.3 The Company Secretary and senior management of the Company should attend all Board and Committee meetings and in the absence of the Company Secretary or Company Secretary's inability to attend for whatever reason, the Board will appoint a secretary for the meeting from amongst the Board members present.

10.5.4 The Board and its Committees shall be supplied with high quality, up-to-date information for review in good time prior to each meeting to enable them to discharge their responsibilities. There is open communication between senior Management and Board members.

10.5.5 **Attendance of Board Meetings by Electronic Means**

10.5.5.1 The Board or a Committee of the Board may hold meetings by telepresence, telephone, either by conference telephone connection(s) or by a series of telephone conversations, or by any other communication equipment which allows all persons participating in the meeting to speak and hear each other.

10.5.5.2 For such meetings, the Company Secretary shall ensure that necessary arrangements are in place to facilitate effective communication during the meeting. Confirmation that all meeting attendees can hear each other and members attending the meeting is to be confirmed at the start of the meeting. Views of Board members expressed using such communications are treated as votes in favour or against a resolution and the resolution is valid and effectual as a resolution of the Board.

11. **COMPANY SECRETARY**

11.1 The Company Secretary of the Company shall be a member of good standing with the Institute of Certified Secretaries of Kenya established under the Certified Public Secretaries of Kenya Act.

11.2 The Company Secretary shall, in consultation with the Chairperson and Country Head, be responsible for issuing proper notice of Board meetings and circulation of relevant Board papers.

11.3 The Company Secretary shall be responsible for taking the minutes of all Board meetings. Such minutes shall provide an accurate record of the directors and all invited persons/professionals present at meetings, the resolutions passed and proceedings at the meetings. Minutes of all Board meetings shall be considered at subsequent Board meetings, approved and signed by the Chairperson of the meeting.

11.4 The Company Secretary shall be responsible for advising the Board through the Chairperson on all corporate governance matters.

11.5 The Company Secretary shall be responsible for the Company's key governance processes including governance audit and Board evaluation.

12. **ACCOUNTABILITY, AUDIT, RISK MANAGEMENT AND INTERNAL CONTROLS**

12.1 The Board shall establish an audit committee which shall consist of at least three (3) independent and non-executive directors who shall report to the Board, with written terms of reference, which deal clearly with its authority and duties.

12.2 The Chairperson of the audit committee shall be an independent and non-executive director.

12.3 The Board shall disclose in its annual report whether it has an audit committee and the mandate of such committee.

- 12.4 The audit committee shall:
  - 12.4.1 be informed, vigilant and effective overseers of the financial reporting process and the Company's internal controls;
  - 12.4.2 review and make recommendations on management programs established to monitor compliance with the code of conduct;
  - 12.4.3 consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal of the external auditor;
  - 12.4.4 discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
  - 12.4.5 review management's evaluation of factors related to the independence of the Company's external auditor. Both the audit committee and management should assist the external auditor in preserving its independence;
  - 12.4.6 review the quarterly, half-yearly and year-end financial statements of the Company, focusing particularly on:
    - 12.4.6.1 any changes in accounting policies and practices;
    - 12.4.6.2 significant adjustments arising from the audit;
    - 12.4.6.3 the going concern assumption; and
    - 12.4.6.4 compliance with International Accounting Standards and other legal requirements.
  - 12.4.7 discuss problems and reservations arising from the interim and final audits, and any matter the external auditor may wish to discuss (in the absence of management where necessary);
  - 12.4.8 review any communication between external auditor(s) and management;
  - 12.4.9 consider any related party transactions that may arise within the company or group;
  - 12.4.10 consider the major findings of internal investigations and management's response;
  - 12.4.11 have explicit authority to investigate any matter within its terms of reference, the resources that it needs to do so and full access to information;
  - 12.4.12 obtain external professional advice and to invite outsiders with relevant experience to attend, if necessary; and
  - 12.4.13 consider other issues as defined by the Board including regular review of the capacity of the internal audit function.
- 12.5 The Board is responsible for:
  - 12.5.1 ensuring that qualified, competent, fit and proper persons are employed to undertake accounting and financial responsibilities;

- 12.5.2 ensuring the integrity and adequacy of the Company's accounting and financial systems; and
- 12.5.3 ensuring the Company complies with applicable accounting standards and regulatory framework.
- 12.6 The Board shall present to the shareholders annual financial statements that provide an understandable assessment of the Company's financial position and prospects. The directors shall explain in the Annual Report their responsibility for preparing the accounts and express their opinion on whether the Company remains a going concern, with supporting assumptions or qualifications as necessary.
- 12.7 The Board is responsible for the Company's systems of internal control. It shall set appropriate policies on internal control, and shall regularly (at least annually) conduct a review of the effectiveness of the Company's systems of the internal controls, and confirm to the shareholders the position. The review shall cover all material controls, including financial, operational compliance, as well as risk management procedures. The Board shall further ensure that the system of internal control is effective in managing risks in the manner in which it has approved.

**13. RIGHTS OF SHAREHOLDERS AND STAKEHOLDER RELATIONS**

- 13.1 The Board shall ensure equitable terms of shareholders including the minority and foreign shareholders.
- 13.2 Every shareholder has the right to:
  - 13.2.1 receive relevant information on the Company's performance through distribution of regular annual reports and accounts, half-yearly results and quarterly results as a matter of best practice;
  - 13.2.2 receive a secure method of transfer and registration of ownership as well as a certificate or statement evidencing such ownership in the case of a central depository environment;
  - 13.2.3 participate and vote at the general shareholders meeting including the election of directors;
  - 13.2.4 ask questions, seek clarification on the Company's performance as reflected in the annual reports and accounts or in any matter that may be relevant to the Company's performance or promotion of shareholders' interests and to receive explanation by the directors and/or management; and
  - 13.2.5 receive distributed profit in form of dividend and other rights for bonus shares, script dividend or rights issue, as applicable and in the proportion of its shareholding in the Company.
- 13.3 The board should maintain an effective communication policy that enables both management and the board to communicate effectively with its shareholders, stakeholders and the public in general.
- 13.4 The annual report and accounts to the shareholders must include highlights of the operation of the Company and financial performance.
- 13.5 All shareholders should be encouraged, to participate in the annual general meetings and to exercise their votes.
- 13.6 Institutional investors are particularly encouraged to make direct contact with the Company's senior management and board members to discuss performance and corporate governance matters as well as vote during the annual general meetings of the Company.

13.7 The Board shall organise regular investor briefings to explain the Company's performance and promote interaction with investors.

13.8 The Company shall establish and maintain a company website through which shareholder communication and interaction among shareholders and the Company.

**14. CORPORATE CITIZENSHIP**

14.1 The Board shall ensure that a policy on good corporate citizenship is in place and that good corporate citizenship is implemented. A sustainable and appropriate budget is allocated for corporate social responsibility and investment. The Company shall promote activities and policies that ensure the sustainable use of the environment and resources.

**15. DISPUTE RESOLUTION**

15.1 The Board shall ensure that effective dispute resolution mechanisms are in place and that disputes with and among stakeholders are resolved effectively, efficiently and expeditiously. The Board shall also take reasonable steps to encourage stakeholders to solve their disputes through Alternative Dispute Resolution mechanisms.

**16. COMPLIANCE WITH LAWS AND REGULATIONS**

16.1 The Company shall conduct its business affairs in full compliance with all applicable laws, rules and regulations. This includes compliance with the Constitution, all applicable laws and regulations and in line with accepted national and international standards, as well as the internal policies of the Company. In this regard, the Board shall ensure that laws, rules, regulations, codes and standards, which are applicable to the Company are identified, documented and observed.

16.2 The Board shall ensure that a legal and compliance audit is carried out at least annually in accordance with the CMA Code and best practice, with the objective of establishing the level of adherence to applicable laws, rules, regulations and standards. Further, the Board shall ensure that the legal and compliance audit is conducted with the assistance of an independent legal adviser at least once every two (2) years.

16.3 The Board shall ensure that a governance audit is carried out in accordance with the CMA Code and best practice, with the objective of assessing the adequacy of the Company's governance mechanisms.

**17. BOARD MEMBERS UNDERTAKINGS IN LINE WITH THE CHARTER**

17.1 Each Board member by accepting a Board appointment accepts this Charter and in particular makes the following undertakings:

17.1.1 to always act in the best interest of the Company and not for any other collateral purpose, to exercise his/her power in good faith and to act with the care of a prudent person;

17.1.2 being aware that the stewardship of the Company is vested in the Board, shall exercise all such powers and do all such acts and things as may be exercised or done by the Board with the skill and care expected of a reasonable man;

- 17.1.3 by accepting to be a Board member therefore, I undertake to familiarize myself with the legal and regulatory framework associated with the Company as well as any other Laws, rules, regulations and policies necessary for the proper discharge of my duties;
- 17.1.4 to dedicate the time and attention necessary to fulfil my duties;
- 17.1.5 to preserve my independence of analysis and judgment in all circumstances and to resist any pressure direct or indirect from whichever source;
- 17.1.6 to disclose to the Board fully and immediately it comes to my attention any real or potential conflict of interest, direct or indirect, which I may have;
- 17.1.7 being fully aware of the importance of regular attendance and effective participation at meetings, I undertake to do everything within my power to attend all meetings; and
- 17.1.8 to keep in confidence all information that comes to me by virtue of my position on the Board.

**18. REVIEW OF CHARTER**

- 18.1 The Board shall review this Charter after every two years, as and when necessary to ensure it remains relevant to the Company's business objectives and best practices for corporate governance and in any event.

**APPROVED BY THE BOARD ON THE \_\_\_\_\_ 2024.**

**Signed by the Chairman of the Board:**

DocuSigned by:  
*Dr. Joseph Kangara Kimemia*  
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**Dr. Joseph Kangara Kimemia**

13 June 2024  
\_\_\_\_\_  
**Date**