

## **BOC KENYA PLC**

### **BOARD CHARTER**

#### **Introduction**

BOC Kenya PLC (the “Company”) is a public limited Company incorporated in the Republic of Kenya under the Companies Act (Chapter 486) and listed under the Capital Markets Act Chapter 485A of the Laws of Kenya.

The Board of Directors of BOC Kenya PLC (the “Board”) is committed to the highest standards of corporate governance and has ultimate responsibility for ensuring that ethical standards of business conduct are maintained and that there is full compliance with the Articles of Association, the Company’s Code of Business Integrity, applicable laws and regulations, the Capital Markets Authority (CMA) Listing Requirements and the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the Code).

The Board has developed this Board Charter in order to document its corporate governance practices and principles, in recognition of the role of good governance in corporate performance, maximisation of shareholder value and protection of investors’ rights, and also to promote the Company’s standards of self-regulation. The objective of this Charter is to also ensure that all Board members are aware of their duties and responsibilities and that they act in the best interest of the Company and its stakeholders.

#### **Charter on website**

This Board Charter is available to all members of the Board for application and is posted on the Company’s website for information to all shareholders and stakeholders.

#### **Company Legal and Management Structure**

The Company was incorporated in 1940 and subsequently listed on the Nairobi Securities Exchange in 1969. The Company has two (2) subsidiaries namely:

BOC Uganda Limited; and  
BOC Tanzania Limited.

The Board of the Company is responsible for the overall strategic direction and governance of the Company.

The Audit and Risk, and Nominations and Corporate Governance Committees are the principal committees of the Board.

The division of responsibilities between the Board, its respective Committees and Management is reflected in their respective roles and responsibilities as outlined in this Charter.

#### **The Board**

The Board is collectively responsible to the Company’s shareholders for the long-term success of the Company and for its overall strategic direction, its values and its governance. It provides the leadership necessary for the Company to meet its business objectives within the framework of its internal controls, while also discharging the Company’s obligations to its shareholders.

#### **Board Composition and Diversity**

The Board shall be constituted in accordance with the Articles of Association of the Company and the Policy on Appointments to the Board.

The Board shall comprise a balance of Executive, Independent and Non-Executive Directors with diverse skills, experience, independence and knowledge sufficient to enable the Board to discharge effectively its responsibilities for governance of the Company, including setting the Company’s strategic aims and its values, providing the leadership to put them into effect, supervising and constructively challenging the Company’s Management who are responsible for the day to day operational running of the business, and reporting to shareholders and investors.

The Board believes that this diverse mix of skills and business experience is a major contribution to the proper functioning of the Board and its Committees, ensuring that matters are adequately debated and that no individual or group dominates the Board's decision-making processes.

The process of the appointment of Directors should be sensitive to gender representation, national outlook and should not be perceived to represent single or narrow community interest.

The Board shall neither be too large so as to undermine interactive discussion during Board meetings, nor too small such that the inclusion of a wider expertise and skills to improve the effectiveness of the Board would be compromised.

### **Appointment of Board Members**

The Board is committed to refreshing its membership, as appropriate, and shall recommend Directors for appointment by the shareholders at the Annual General Meeting. Pursuant to the Articles of Association of the Company and upon recommendation of the Nominations and Corporate Governance Committee, the Board 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. The Board has put in place a Policy on appointments to the Board which articulates the principles, criteria and procedures for any person's appointment as a Director of the Company.

One third (1/3<sup>rd</sup>) of the Directors shall annually submit themselves for election or re-election by the shareholders at the Company's Annual General Meeting.

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.

### **Appointment of Alternate Directors**

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 approved by the Board and shall discharge the obligations placed upon the appointing Director.

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.

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

Board members shall hold office for a three (3) year term and are eligible for reappointment. Independent Board members appointed for a cumulative term exceeding nine (9) years are re-designated as non-independent directors. Pursuant to the Companies Act 2015 there is no age limit for Directors imposed by the Board.

The Nominations and Corporate Governance Committee will recommend the renewal of a Board member's tenure subject to consideration of their knowledge and skills, experience as relevant to the Board, tenure on the Board, diversity the member brings, attendance record and an acceptable performance evaluation as determined during the annual Board evaluation.

### **Removal of Board Members**

The Company may remove any Director from office if:

- (i) The appointment of the Director is not approved by the Shareholders at the Annual General Meeting following such appointment; or
- (ii) The period of the Director's appointment ends and is not extended for a further term on recommendation by the Nominations Committee to the Board; or
- (iii) If the Director is not re-elected at an Annual General Meeting of the Company at which he/she has retired and offered him/herself for re-election in accordance with the Articles of Association; or

- (iv) If the Director is required to vacate office for any reason pursuant to any provisions of the Articles of Association; or
- (v) If the Director is removed from office or otherwise required to vacate office under provisions of any applicable law.

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.

### **Multiple Directorships**

In accordance with the Code, 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.

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.

Board members are expected to disclose other directorships held by themselves and to inform the Chairperson of any changes to these directorships in a timely manner.

### **Role and Responsibilities of the Board**

The Board has a primary responsibility of fostering the long-term business of the Company consistent with the Directors' fiduciary duties. Each Board member shall accord sufficient time to his or her role and act consistently on a fully informed basis in accordance with his or her fiduciary duties.

It is the Board's responsibility to make decisions and to review and approve decisions of the Company, including in relation to:

- Approval of the business strategy for the Company and its subsidiary companies.
- Approving the annual Budget.
- Review of performance against the business strategy and its associated functional strategies.
- Review the performance of Management against set objectives, in terms of management performance contracts, at Board meetings held regularly throughout the year.
- Significant business development, financing and corporate transactions;
- Appropriate controls and governance over the Company and its operations, including through operation of the Company's statement of delegated authorities;
- Appropriate risk management of the Company, including compliance with the Constitution, laws, regulations, standards and the Company's Code of Ethics;
- Approval of commitments outside the authority delegated to the Executive Management committees and individual Directors.
- Approval of all key policies and review of procedures and performance of the same.
- Approval of the principles of equity based reward programmes and of major changes relating to the principal pension and provident fund schemes.

- Subject to any recommendations from the Audit & Risk Committee, reviewing and approving:
  - Half year and preliminary results announcements
  - Annual financial statements and Annual Report
  - Dividend announcements
- Receiving and reviewing reports from committees of the Board.
- Reviewing and approving Board succession plans and those of senior Management staff.
- Considering the evaluation of the Board's performance over the preceding year.
- Appointment of the Managing Director and the Financial Director of the Company.
- Appointment and removal of Directors of the Company, subject to recommendations of the Nominations and Corporate Governance Committee.
- Approval of Non-Executive Directors' fees, subject to the recommendations of the Retirement and Remunerations Committee and subsequent approval of the shareholders at an Annual General Meeting.
- Appointment and removal of the Company Secretary.
- Appointment and removal of the external auditors, subject to the recommendation of the Audit & Risk Committee and subsequent approval of the shareholders at an Annual General Meeting.
- Corporate social responsibility and sustainability, ethics and environmental stewardship.
- Ensuring that an annual governance audit is carried out.
- Organizing for an independent legal and compliance audit to be undertaken every two years and an annual internal legal and compliance audit.
- Establishing and maintaining a transparent, cost effective and timely process for resolution of both internal and external disputes.
- Managing relationships with stakeholders.

### **Duties of Board members**

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. In exercising fiduciary duties, each Board member is expected to:

- Exercise a reasonable degree of care, skill and diligence;
- Act in good faith and in the best interests of the Company and not for any other purpose;
- Act with integrity at all times and must not place themselves in a situation where personal interests conflict with those of the Company;
- Exercise independent judgement always;
- Devote sufficient time to carry out their responsibilities on the Board and enhance their skills and competencies to give continued value to the Company;
- Promote and protect the image and reputation of the Company;
- Owe their duty to the Company; and

- Hold in confidence all information available to them by virtue of their position as a Board member.

### **Non-delegation of certain Functions by the Board**

The Board reserves specific powers to itself and delegates other responsibilities to the Management of the Company.

Among the key matters on which the Board alone makes decisions for the Company are the following:

- approving the Company's business strategy, risk policy, plans and objectives;
- approving the Budget;
- approval of major corporate activities and major capital expenditures;
- reviewing corporate performance and effectiveness of the strategies in place at least quarterly;
- identifying the corporate business opportunities and the principal risks in the Company's operating environment;
- reviewing the Company's risk management, internal controls systems and governance framework;
- approving the Company's Annual Report and reviewing its periodic financial reports;
- agreeing the agenda for the Annual General Meeting;
- declaring an interim dividend and recommending a final dividend;
- approving the Code of Ethics and other key Company policies;
- monitoring the effectiveness of the corporate governance practices in place and reviewing the same as appropriate;
- establishing and implementing a system that provides necessary information to the Company's shareholders; and
- approving the staffing and succession plans for the Board and senior Management and considering the evaluation of the Board and Board Committees' performance over the preceding year.

The Board has delegated certain powers covering the day to day operations of the Company to the Managing Director and Senior Management Team as set out in this Charter.

The Managing Director must raise any matters of significance affecting the Company which require the Board's attention, including any matters which exceed the delegated authority of the Management.

### **Meetings of the Board**

The Board meets at least four (4) times a year. Additional special meetings of the Board may be convened to deal with urgent matters as appropriate. The normal quorum for meetings of the Board is two (2) Directors.

The agenda for Main Board meetings is set by the Chairperson in consultation with the Managing Director 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 Board members at least five (5) working days before the meeting. Minutes of Board meetings are circulated to Members within seven (7) working days following the meeting.

Members of Management may be invited to Board meetings from time to time as appropriate, and in particular to the Board's annual strategy session.

All Directors are aware of their responsibility to take decisions objectively which promote the success of the Company for the benefit of its shareholders. The Chairperson will always seek to obtain consensus at Board meetings but, in exceptional circumstances, decisions will be taken by majority. If any Director has concerns about the running of the Company or a proposed action which cannot be resolved, such concerns will be recorded in the Board minutes.

The Managing Director is responsible for implementation of the Board's decisions and may delegate such implementation to the senior Management Team. The Board is responsible for monitoring implementation of its resolutions.

The Board and its Committees are supplied with information and material for review prior to each meeting to enable them to discharge their responsibilities. There is open communication between senior Management and Board members.

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

The Board and any Committee of the Board may hold meetings by electronic means such as conference telephone connection(s) or by any other communication equipment which allows all persons participating in the meeting to speak and hear each other.

For such meetings the Company Secretary ensures that necessary arrangements are in place to facilitate effective communication during the meeting. Confirmation that all meeting attendees can hear each other is 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.

#### **Board Committees**

The Board may establish relevant Board Committees and delegate specific mandates to such committees as appropriate. There are currently two standing Board Committees which meet regularly in accordance with their respective terms of reference namely:

- Board Nomination and Corporate Governance Committee; and the
- Board Audit & Risk Committee;

The Board may establish ad-hoc committees on a needs basis.

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.

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 Board are not delegated to the Committee.

The Board has put in place and periodically reviews terms of reference for each Board Committee. The terms of reference articulate the roles and responsibilities of the respective Committee, its composition and operations.

The Terms of Reference of each Committee are set out in Appendix 2 of this Charter.

**The Board Nominations and Corporate Governance Committee** is responsible for identifying suitable candidates for appointment to the Board. It evaluates the effectiveness of the Board and the effectiveness of the Directors in the discharge of their responsibilities. The Committee also reviews and assesses the Board and the Company's practices in the light of corporate governance guidelines and Codes applicable within the country and makes recommendations to the Board with regard to any changes.

**The Board Audit and Risk Committee** is responsible for monitoring and reviewing the integrity of the financial statements, the effectiveness of the Company's internal control and risk management processes, the transparency of the internal audit function, the efficiency of the Company's procedures for handling whistle blowing allegations and the effectiveness of the external auditor.

The Company Secretary acts as secretary to both Board Committees.

#### **Committee Meetings**

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.

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.

The agenda for each Committee meeting shall be determined by the Chairperson taking into account the views of other Committee members as appropriate. The quorum for any Committee meeting shall be as set out in the respective Committee Terms of Reference.

Minutes of the meeting of the Committee shall be circulated to Members within seven (7) working days following the meeting. The Committee's Secretary shall keep a record of all minutes of Committee Meetings.

#### **Committee Reporting**

Each committee informs the Board of the actions it has taken and any major or material developments which come to its knowledge. The Board periodically receives a report from each Committee describing the Committee's actions and findings on any matter and matters for noting or approval.

The Board determines the procedure and process within which Committees may take independent professional advice at the Company's expense.

Unless otherwise authorised by the Board, all the recommendations of Committees may be ratified by the Board to facilitate implementation by Management.

#### **Committee Evaluation**

The Board annually reviews the adequacy, efficiency and effectiveness of the committee structure including the number and nature of the Committees, membership and Committee terms of reference.

#### **Roles of the Board Chair and the Managing Director**

The roles and responsibilities of the Chairman and the Managing Director are separate with each having clearly defined duties and responsibilities.

The Chairman is responsible for leadership of the Board, for ensuring its effectiveness and for facilitating the productive contribution of both Executive and Non-Executive Directors. The Chairman is accountable to the Board for leading the direction of the Company's corporate and financial strategy and for overall supervision of the policies governing the conduct of the business.

The Managing Director is responsible for the day-to-day management of the Company and is also responsible for the performance of the Company and its subsidiaries and is supported in this role by the Executive team. The Managing Director provides leadership to enable successful planning and execution of the objectives and strategies agreed by the Board and is also responsible for stewardship of the Company's assets and, jointly with the Chairman, for representation of the Company externally.

The detailed roles and responsibilities of the Chairman and the Managing Director are delineated in Appendix 1 to this Charter.

### **Role of Company Secretary**

The Board shall appoint a suitably qualified Company Secretary for such term and upon such conditions as it deems fit, to assist in undertaking its activities. The Company Secretary shall be a member of the Institute of Certified Public Secretaries of Kenya (ICPSK) in good standing.

The Company Secretary attends all meetings of the Board and its' Committees. The Company Secretary is responsible for:

1. Preparing agendas and minutes of meetings, arranging for them to be approved by the Chairperson of the relevant meeting and circulating them as appropriate;
2. Under the direction of the Chairperson, ensuring that the Board and its Committees receive high quality, up-to-date information for review in good time ahead of each meeting;
3. Ensuring good information flows within the Board and its Committee and between the Non-Executive Directors and senior Management.
4. Advising the Board through the Chairperson on all corporate governance matters.
5. Assisting the Board with the annual Board and Committee evaluation exercise.
6. Ensuring safe custody of the Company's seal and maintenance of a record of its use and accounting to the Board for its use;
7. Keeping and updating a register of conflicts of interest;
8. Coordinating the governance audit process, and,
9. Facilitating effective communication between the organization and the shareholders.

The Board shall undertake an annual evaluation of the performance of the Company Secretary and give feedback as appropriate. Removal of the Company Secretary shall be a matter for the Board.

### **Conflict of Interest**

The Board has formal procedures for managing conflict of interest in accordance with the Companies Act 2015 and the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015.

Any conflict of interest or apparent conflict of interest between the Company and its Directors is to be avoided. Board members are required to declare any potential or actual conflicts of interest that could interfere with their ability to act in the best interests of the Company and these are considered either immediately or at the next Board meeting. Any circumstances which may give rise to actual or potential conflicts of interest are disclosed to the Board upon appointment and subsequent changes highlighted as they arise. Directors are given the opportunity, at the start of every Board meeting, to declare any actual or potential conflict of interest with their role as Directors.



## **Board Work Plan**

The Board develops an annual work-plan to guide its activities and operations. The work-plan shall include:

- (i) The Board and Board Committees meeting schedule;
- (ii) The Annual General Meeting;
- (iii) Formulation and review of the strategic plan;
- (iv) Assessment and monitoring of Management's implementation of strategies, policies and plans;
- (v) Risk assessment and management which includes financial reports, the annual report and the Company's full year forecast;
- (vi) Reporting of Board Committees;
- (vii) Policy making and review;
- (viii) Review of the corporate governance practices in place including, board evaluation, succession planning, declaration of interest, CMA Compliance report, compliance with the Company's Standards of Business Conduct, etc.
- (ix) Approval and review of Policies;
- (x) Oversight over the Company's provident funds;
- (xi) Stakeholder communication including Investor Briefings; and,
- (xii) Board training and development.

## **Risk Management and Internal Control**

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

The Board defines procedures and financial controls to ensure that the Company's system of internal controls provide reasonable assurance that the assets are safeguarded, transactions are authorised and recorded properly, and that material errors and irregularities are either prevented or detected within a reasonable period of time. There is a clearly defined organisational structure within which individual responsibilities are identified in relation to internal controls. The structure is complemented by defined procedures, financial controls and information system controls.

The Group's internal audit department performs various activities in the evaluation of the risk management, control and governance process. Significant business risks and weaknesses in the systems of operating and financial controls are highlighted and brought to the attention of the Audit & Risk Committee, senior management and external auditors. Areas accorded high-risk profiles are given urgent attention by Management. At every Board meeting the status of mitigations against identified business risks is reviewed to ensure timely implementation of corrective actions.

## **Training and Development**

On appointment to the Board all Directors receive induction covering their duties and responsibilities as Board members. In addition to a full briefing on all areas of the Company's business a factory tour will ordinarily be included.

In order to continue to contribute effectively to Board and Board Committee meetings, Board members are encouraged to continually update their skills and knowledge of the business. Board members are also provided with the opportunity to take part in training and development as per an annual training schedule approved by the Board. As part of the annual one-on-one performance review with the Chairman individual training needs are identified as appropriate.

### **Board member access to Employees, Company Information and Professional Advice**

Board members are accorded full access to employees of the Company and to all information that is needed for the conduct of their duties and business. Management staff may be invited to Board and Committee meetings to make presentations and to provide needed insight into certain aspects of the Company's business or operations as appropriate.

Directors are entitled to take independent professional advice at the Company's cost. All Board members have access to the advice and counsel of the Company Secretary.

### **Board Remuneration**

The Board shall establish and maintain formal and transparent remuneration policies and procedures that attract and retain Board members. Such policies should be aligned to the Company's strategy.

The remuneration policy for Board members shall clearly stipulate the elements of such remuneration including directors' fee and attendance allowances. Directors' remuneration shall be retroactively approved by shareholders at the Annual General Meeting.

The Executive directors' remuneration shall be competitively structured in line with remuneration for other directors in the same industry and shall be aligned with the business strategy and long-term objectives of the Company.

Pursuant to the Code Board remuneration policies and procedures are disclosed in the Company's annual report.

### **Board Evaluation**

The Board shall conduct an annual evaluation of its effectiveness and that of its Committees, the Executive and Non-Executive Directors, Chairman, the Managing Director and the Company Secretary. The evaluation is conducted by each Director completing a Board Effectiveness Evaluation Form. This information is thereafter collated by the Company Secretary and presented to the Nominations and Corporate Governance Committee (attended by the full Board for that purpose) with a view to identifying and recommending areas for improvement. An external facilitator is recommended and should be engaged at least once every four (4) years to ensure objectivity is maintained.

### **Board and Management Succession Planning**

The Board shall approve, periodically review and maintain a succession plan for members of the Board and for key roles within the Board. The Board shall also approve and maintain a skills and competency matrix to guide the appointment and replacement of Board members.

At each Annual General Meeting one third of the Directors who are subject to board rotation shall retire as prescribed by the Articles of Association.

The Board shall approve, review and maintain a succession plan for the Managing Director and Senior Management Staff.

### **Dispute Resolution**

The Board has put in place formal processes for the resolution of both internal and external disputes and ensures that the Company pursues alternative dispute mechanisms in the first instance prior to reference of any disputed matters for determination by the courts. The Company's processes and mechanisms for dispute resolution shall be reviewed periodically to ensure that they are efficient, cost effective and expeditious.

### **Shareholder Rights**

The Board recognizes and respects the rights of the Company's shareholders and shall facilitate the effective exercise of the rights of shareholders as appropriate. In that respect, the Board has ensured that:

**APPENDIX 1**

**Main duties and responsibilities of the Chairman and Managing Director**

<b><u>CHAIRMAN</u></b>	<b><u>MANAGING DIRECTOR</u></b>
<b><u>Main duties and responsibilities</u></b>	
Leadership of the Board and ensuring its effectiveness on all aspects of its role.	Leadership of the Executive Directors and Senior Executive team in the day to day running of the business of the Company.
<p>Ensure the Board and its Committees are run effectively, including ensuring that the Board as a whole plays a full and constructive part in the review and approval of the Company's corporate vision and strategy and short and long term financial objectives and plans to achieve them, as developed by the Managing Director.</p> <p>Ensure that Board agendas take full account of the important issues facing the Company and the concerns of all Board members (with an emphasis on strategic, rather than routine, issues).</p>	<p>Develop for review and approval by the Board:</p> <ul style="list-style-type: none"> <li>▪ a corporate vision and strategy with the explicit aim of maximizing shareholder value; and short and long term financial objectives, and plans to achieve them.</li> <li>▪ Implement the approved corporate vision and strategy and achieve the approved financial objectives. Monitor day-to-day business performance and take corrective action where needed.</li> <li>▪ Ensure appropriate objectives, policies and strategies are adopted for each division/function of the Company,</li> <li>▪ Ensure that appropriate budgets are set for individual divisions/functions, that their performance is effectively monitored, that guidance or direction is given where appropriate, and that guidance is given to the Company's subsidiaries as to the policies identified by the Company as the principal shareholder.</li> </ul>
<p>Build an effective and complementary Board, by leading on issues of Director development, including induction and regular reviews, as well as implementing a programme of annual Board performance assessment.</p> <p>Ensuring effective processes are established relating to succession planning and the composition of the Board, having regard to the benefits of diversity.</p>	<p>Ensure the quality of management and leadership within the Company and formalizing the roles and responsibilities of the senior executive team, including clear delegation of authorities.</p>
<p>Leading and advising the Nomination and Corporate Governance Committee and the Board on candidates for appointment as Directors of the Company, and advising the Board on the retirement or removal of Directors from office in a timely manner.</p>	<p>Making recommendations to the Nominations and Corporate Governance Committee on the role and capabilities required in respect of the appointment of Directors.</p>
<p>Encouraging the active engagement of all Board members in Board and Committee meetings, drawing fully on their skills, experience, knowledge and, where appropriate, independence.</p>	<p>Encouraging Directors to express their views frankly and challenge constructively in order to improve the standard of discussion in the Boardroom.</p>
<p>Encouraging annual performance evaluation of the Board and acting on recommendations emanating from the results of such evaluation.</p>	<p>Motivating, reviewing and appraising the performance of the Executive Director(s) and making appropriate recommendations to the Retirement and Remuneration Committee on remuneration policy and specific remuneration packages and terms of employment of the Senior Executive team.</p>

- Shareholders receive relevant information on the Company's performance through the distribution of annual reports and half year results;
- Shareholders are promptly advised on the dates, location and agenda of the Annual General Meeting and any other general meetings of the Company;
- Shareholders convenience is considered when selecting a venue and location for the Annual General Meeting;
- An effective Registrar is engaged to secure and coordinate the transfer and registration of their shares and to attend to queries related to their shares;
- Participation of shareholders during the Annual General Meeting;
- Explanatory Notes on each resolution to be passed at the AGM is availed alongside the Notice and Agenda;
- All shareholders are treated equitably; and
- Modern communication techniques e.g. websites and emails are used to communicate with shareholders.

### **Stakeholder Relations**

The Board shall manage stakeholder relationships in a proactive manner to ensure the realization of the legitimate interests and expectations of stakeholders and the achievement of corporate objectives.

### **Environmental, Social and Governance Policy**

The Board is committed to ensuring that the Company operates responsibly, sustainably, ethically and as a good corporate citizen. The Board has adopted and maintains a Code of Ethics which sets out the Company's values and principles to good corporate governance practices. A whistleblowing procedure provides a platform for employees and third parties to raise concerns regarding any suspected wrong doings and how these will be addressed. The Board ensures that risks arising from any ethical issues are identified and managed in the risk management process. The Board ensures that the Company has a robust Health and Safety and Environment Policy, aimed at providing a safe and healthy working environment for its employees and any other person within the Company's sphere of operations.

### **Compliance with Laws and Regulations**

The Company shall conduct its business affairs in full compliance with all applicable laws, rules and regulations. The Board shall ensure that laws, rules, regulations, codes and standards as applicable to the Company are identified and observed.

The Board shall ensure that an independent legal compliance audit is carried out every two years as prescribed by the Code.

### **Governance Audit**

The Board shall ensure that a Governance Audit of the Company is undertaken as prescribed by the Code to confirm that the Company operates on sound governance practices. The Governance Auditor shall be accredited by the Institute of Certified Public Secretaries of Kenya.

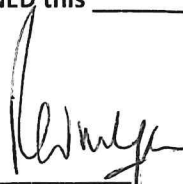
Monitoring progress towards the timely and effective achievement and implementation of the objectives, policies and strategies for the Company, including the business plan and financial objectives.	Nurture and develop the Company's product portfolio, and implement a business plan and programme in line with the approved strategy and financial objectives.
Set the agenda for the Board and ensure that the Board receives accurate, timely and clear information on: the Company's performance; the issues, challenges and opportunities facing the Company; significant risks the Company is willing to embrace in its strategy; and matters reserved to it for decision.	Ensure that the Board and Board Committees are provided in a timely fashion with information in a form and of a quality appropriate to enable them to discharge their duties. Communicate the decisions of the Board and Board Committees as appropriate, and ensure proper implementation.
Ensure compliance with the Board's approved procedures, including each Board Committee's Terms of Reference.	Develop and maintain the policies and systems needed to ensure optimal business performance in line with the approved strategy (where appropriate for review and approval by the Board). In particular, maintain an effective system of internal control and risk management.
Ensure that there is effective communication by the Company with its shareholders, including by the Managing Director, Finance Director and other Executive Management, and ensuring that members of the Board develop an understanding of the views of the major investors in the Company.	Together with the Finance Director and other Executive Management, manage relationships with the Company's shareholders and other external parties.
Participating with the Managing Director, as appropriate, in public relations, including ensuring effective communications with other organisations and bodies, the media and the public generally.	Being responsible, with the participation of the Chairman, as appropriate, for public relations, relations with other organisations and bodies, the media and the public generally.
Promote the highest standards of integrity, probity and corporate governance and set clear expectations around culture, values and behaviours throughout the Company and particularly at Board level.	Promote and conduct the affairs of the Company with the highest standards of integrity, probity and corporate governance. Set an example to the Company's employees and communicate to them the expectations of the Board in relation to the Company's culture, values and behaviours.

**Approval:**

**This Board Charter was last Reviewed and Approved by the Board of Directors of BOC Kenya PLC on 27 March 2023.**

**The Board of Directors of BOC Kenya PLC additionally, on the said date, approved upload of this reviewed Board Charter onto the Company's website.**

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_ 2023



**Mr. R. Mbugua**  
**Chairman of the Board**