

BOC KENYA PLC

RETIREMENT AND REMUNERATION COMMITTEE

TERMS OF REFERENCE

Constitution

The Retirement and Remunerations Committee (the "Committee") was formally constituted by Ordinary Resolution passed by the Board of Directors of BOC Kenya PLC (the "Board").

The Committee determines and makes recommendations to the Board on the remuneration policies of the Company, and the terms and conditions of employment of the Executive Directors and Senior Management. The Committee ensures that compensation for all employees is performance-driven and appropriately benchmarked against other comparator companies in Kenya.

Membership

Membership of the Committee shall be appointed by the Company's Board of Directors (the "Board"). The Committee shall consist of at least three members, a majority of whom shall be Independent Non-Executive Directors.

An Independent Non-Executive Director who is not the Chairman of the Board shall be chair of the Committee and in his/her absence the members present will elect one of their number to chair the meeting.

Appointments to the Committee shall be for a period of up to three years (subject to the election and re-election provisions in the Company's constitution), which may be extended for further periods as recommended by the Committee to the Board.

Quorum

The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Attendance at meetings

The Managing Director, the Finance Director and the Head of Human Resources shall be permanent invitees to the Committees meetings. Other relevant Senior Management may be invited to attend for all or any part of a meeting as and when appropriate, in the opinion of the Committee Chairman, or the majority of its members.

The Company Secretary will act as the Secretary of the Committee.

Frequency of meetings

The Committee shall meet at least three times a year and at such other times as the Committee Chairman or any Member of the Committee may request.

Notice of meetings

Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.

Unless otherwise agreed, notice of each 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 four working days before the meeting.

Authority

The Committee is authorized by the Board to:

- (a) seek any information it requires from any employee of the Company in order to perform its duties;
- (b) obtain, at the Company's expense, outside legal or other professional advice in connection with its duties; and such advisors may attend meetings as necessary;
- (c) incur any expenditure it considers appropriate in connection with the above (the Company to make available the necessary funds); and
- (d) delegate its powers in relation to particular matters to a sub-committee, determine its membership, terms of reference and the extent of its delegated powers.

Responsibilities and Objectives

The responsibilities and objectives of the Committee are as follows:

- (a) To set Executive remuneration covering salary and benefits, performance related bonus arrangements [as applicable], pensions and terms of service, monitoring and advising the Board on major changes to the policy on employee benefit structures for the Company;
- (b) To review the remuneration of Non-Executive Directors to ensure that the levels of remuneration and compensation are appropriate;
- (c) To oversee the establishment of a remuneration policy that promotes the achievement of strategic objectives and encourages individual performance;
- (d) To review the outcomes of the implementation of the remuneration policy to establish that set objectives are being achieved;
- (e) To ensure that the mix of fixed and variable pay (as applicable), in cash, shares and other elements, meets the company's needs and strategic objectives;
- (f) To satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives (as applicable);
- (g) Ensure that all benefits, including retirement benefits and other financial arrangements are justified and correctly valued;
- (h) To consider the results of the evaluation of the performance of the Managing Director and other senior managers, both as directors and as executives in determining remuneration;
- (i) To ensure that remuneration levels are compared against appropriate comparative groups;
- (j) To regularly review incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules;

- (k) To ensure that the Directors Remuneration Report is prepared and recommend the same to the Board for approval prior to shareholders approval of the same at an AGM.

Reporting Procedures

Reporting procedures will be as follows:

- (a) The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- (b) The Secretary shall minute the proceedings and resolutions of the Committee meetings, including the names of those present and in attendance.
- (c) The Secretary shall circulate draft minutes of meetings of the Committee to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board except where the Committee determines it to be inappropriate to do so for reasons of confidentiality.
- (d) The Committee's activities shall be disclosed in the Annual report.

Other

The Committee shall:

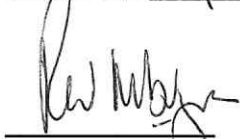
- (a) give due consideration to all applicable laws and regulations, as appropriate; and
- (b) annually review its own performance and also review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Approval

The Terms of Reference of the Retirement and Remuneration Committee was last reviewed and approved by the Retirement and Remuneration Committee on Tuesday 4 December 2018 and Approved by the Board of Directors of BOC Kenya PLC on Wednesday 5 December 2018.

The Board of Directors of BOC Kenya PLC additionally, on the said date, Approved upload of the Terms of Reference of the Retirement and Remuneration Committee onto the Company's website.

SIGNED this 14th day of Dec. 2018



Mr. R. Mbugua
Chairman of the Board



Mrs. L. Njoroge
Retirement and Remuneration Committee