



KENYA AIRWAYS PLC

BOARD CHARTER

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1.0 INTRODUCTION

The Board of Directors of Kenya Airways Plc (“the Company”) regards corporate governance as key to the achievement of the Company’s mission and vision, and is committed to applying the core governance principles set out in this Board Charter (“the Charter”). The Charter will therefore assist Board members in fulfilling their responsibilities as it sets out the duties, functions, powers, responsibilities, membership and operations of the Board. The Charter also sets out some administrative and procedural matters applicable to the Board and the governance of the Company

The Charter has been developed in accordance with the Capital Markets Code of Corporate Governance Practices for Issuers of Securities to the Public (“the Code”), the Capital Markets Act, its Regulations and the Companies Act, and is complementary to the requirements regarding the Board and Board members contained in any other applicable Kenyan laws and regulations. In particular, the principles and policies contained in the Charter are in addition to and are not intended to change or interpret any statute, law or regulation.

The Board will review this Charter at least every two years and, if appropriate, revise this Charter from time to time. The Charter is available to all members of the Board for application and is posted on the Company’s website for the information of stakeholders.

1.1 STATEMENT ON GOOD GOVERNANCE

The Company has adopted high standards and applies strict rules of conduct, based on the best governance practices. As part of this commitment, the Board adheres to good governance by embracing the following principles:

1. To observe high standards of ethical and moral behavior;
2. To act in the best interests of the Airline; and
3. To ensure that the Airline acts as a good corporate citizen.

In general, Board members shall act in the best interest of the Company and uphold their fiduciary responsibilities and duty of care. This involves not disclosing confidential information, avoiding real and perceived conflicts of interest, and favoring the interests of the Company over other interests. They will act honestly and in good faith, and this will help to create a culture built on principles of integrity, accountability and transparency.

1.2 OBJECTIVES OF THE CHARTER

The objectives of the Charter are:

1. To 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; and
2. To ensure that Board members apply the principles of good governance in their dealings in respect, and on behalf of the Company and its stakeholders.

1.3 DEFINITIONS

a) **Board Committee**

A committee of the Board which consists of the members that who are mandated to carry out specified functions, programs, or projects assigned by the Board.

b) **The Board**

The body of individuals appointed or elected in line with the Articles of Association of the Airline to oversee the management of the Company and acts as the governing body.

c) **Board members**

In this Charter, Board members shall include the Chairperson the Group Managing Director/Chief Executive Officer and the Group Finance Director unless the context specifies otherwise.

d) **Charter**

A formal document that defines the Board's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. The Charter provides the Board members with an opportunity to think creatively and critically about how their strategic and operational plans align with the organization's strategic direction and expectations, with respect to governance.

e) **Fiduciary Duty**

The duty for Board members to act in good faith and with utmost care, skill and prudence and in the best interest of the Company.

f) **Governance**

The structure and system of rules, practices and processes by which an organization is directed, controlled and held accountable. It encompasses Company, accountability, stewardship, leadership, direction and control exercised in organizations. It essentially involves balancing the interests of the many stakeholders in an organization

g) **Co-operation Agreement**

The Agreement between the Government of Kenya, KLM and KQ Lenders Company 2017 Limited.

2.0 INCORPORATION OF THE COMPANY

The Company is incorporated under the Company's Act, Chapter 486 of the Laws of Kenya. In addition, the Company is listed under the Capital Markets Act Chapter 485A of the Laws of Kenya.

2.1 VALUES

In pursuit of its vision and mission, the Company will be guided by the following corporate values:

SAFETY - Safety is the foundation of everything we do.

CUSTOMER OBSESSION - We commit to creating positive memorable experiences for our customers.

INTEGRITY- We shall be ethical and trustworthy in all our engagements and we shall treat each other with respect

ACOUNTABILITY - We take initiative and responsibility for our actions, decisions and results.

2.2 MISSION OF THE COMPANY

To propel Africa's prosperity by connecting its people, cultures and markets.

2.3 VISION OF THE COMPANY

To be Africa's preferred and sustainable aviation group.

2.4 ESSENCE

Warm, Caring, Friendly, truly African - The Pride of Africa

2.5 GOALS

- To offer a standard of service that seeks to enhance Guest Experience.
- To offer the Best Value, enabled by deploying Operational Excellence.

2.6 BRAND PROMISE

Delightful experience with a caring African touch. In this regard, we inspire our people to unleash their potential and provide world class technologies to advance our guests' quality of life. In turn we are able to achieve real progress and create positive impact in our community, Africa and the world.

2.7 THE OVERALL GOVERNANCE STRUCTURE

The governance of the Company shall vest in the Board of Directors and their powers are stipulated in the Articles of Association of the Company, the Co-operation Agreement between the Government of Kenya, KLM and KQ Lenders Company 2017 Limited as well as the Companies Act. The governance task faced by the Board is two-fold, that is decision making and oversight.

- i) The decision making function is exercised with respect to the formulation with the Management, of fundamental policies and strategic goals and through the approval of certain significant actions;
- ii) The oversight function concerns the review of management decisions, the adequacy of systems, controls and the implementation of policies.

To achieve this, the Board shall provide leadership and the vision for the Company in a way that ensures the Company fulfills its mandate and further ensures long-term sustainable development and growth of the Company.

3.0 THE BOARD OF DIRECTORS

3.1 COMPOSITION OF THE BOARD

The Board of the Company shall be constituted and operate in accordance with Articles 65 – 97 of the Articles of Association of the Company.

The composition of the Board should provide the right mix of skills, competencies and experience; and diversity required for the effective leadership and adequate oversight of the Company.

The Board shall comprise a balance of executive and non-executive directors, with a majority of non-executive directors. Independent directors shall be at least one third of the total number of Board members.

The term “independent director” shall in accordance with the CMA Regulations mean a member of a board of directors who – (a) is not an executive director; (b) does not have a material or pecuniary relationship with the company or related persons; (c) is compensated through sitting fees or allowances; and (d) does not own shares in the company: Provided that after six years of continuous service as such director, such person shall no longer be considered as an independent director.

3.2 SIZE OF THE BOARD

The Board shall have a minimum of five (5) members and a maximum of eleven (11) members.

3.3 SELECTION & APPOINTMENT OF BOARD MEMBERS

Selection and appointment of Board members shall be in accordance with Cooperation Agreement between Government of Kenya, KLM and KQ Lenders Company 2017 Limited, the Articles of Association as well as the Companies Act.

The rest of the Board shall be elected to the Board in accordance with the Company’s Articles of Association by the Shareholders and at each Annual General Meeting one third of the Directors for the time being or, if their number is not a multiple of three, the number nearest to but not greater than one-third shall retire from office.

The Committee responsible for corporate Governance shall be responsible for the identification of candidates for nomination to the Board.

Each Board member shall be appointed in writing and must signify acceptance of his/her appointment in writing.

The Board will, in consultation with the Committee responsible for governance, prepare a profile of its composition and member’s expertise for stakeholder information.

3.4 TERM LIMITS FOR BOARD MEMBERS

Board members shall hold office for a three (3) year term and are eligible for reappointment for two more

term of up to three years each. A Board member may be appointed for a cumulative term not exceeding nine (9) years. The renewal of a Board member's tenure for a second term should be subject to an acceptable evaluation as determined during Board evaluations.

3.5 REMOVAL/RESIGNATION FROM OFFICE

A Board member shall cease holding office or may be removed from office by the appointing Company if the Board member –

- (a) serves the appointing Company with a written notice of resignation; or
- (b) fails, without reasonable cause and without the consent of the Board, to attend three consecutive meetings of the Board and the Board resolves that, by reason of such failure, he shall cease to be a Director; or
- (c) is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings; or
- (d) is adjudged bankrupt or enters into a composition scheme or arrangement with his creditors; or
- (e) is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board; or
- (f) accepts any office the holding of which, if he were not a member of the Board would make him ineligible for appointment to the office of a member of the Board; or
- (g) conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of the Board; or
- (h) is recommended for removal by the Board on the basis of non-performance, non- attendance of meetings, unethical conduct which contravenes the Code of Conduct and Ethics and applicable policies; or
- (i) is removed from office pursuant to the Companies Act or by a Special Resolution of the Company in General Meeting; or
- (j) ceases to be a Director by virtue of the Companies Act; or
- (k) becomes prohibited from being a Director by reason of any order made under the Companies Act; or
- (l) becomes of unsound mind; or
- (m) is removed in accordance with provisions of the Cooperation Agreement; or
- (n) in the case of the Managing Director or the Finance Director their appointment as such shall be terminated by the Board.

3.6 POWERS OF THE BOARD

The Board has powers as set out under the articles of Association to:

1. To borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue income notes, bonds, debentures and other securities;
2. To exercise all such powers of the Company as are not by the Companies Act or by the Articles of Association reserved for the Company in General Meeting.
3. Subject to Article 92, to establish any local boards or agencies for managing any of the affairs of the Company, either in Kenya or elsewhere, and may appoint any persons to be members of such

local boards or managers or agents and may fix their remuneration and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies.

4. The Board may, by power of attorney, appoint any person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney of the Company for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board.
5. Set up any branch office as may be deemed fit.
6. Appoint persons to execute all cheques, promissory notes, drafts, bills of exchange and other negotiable and transferable instruments and all receipts for moneys paid to the Company.

3.7 INDUCTION OF BOARD MEMBERS

The Board shall develop an induction programme for new Board members. When appointed, new Board members shall be provided with an effective induction programme in order to familiarize them with their responsibilities as Board members, general principles of governance and Board practices. The induction programme will also provide the Board member with an orientation of the Company, strategic plans, financial status and policies, risk management, compliance programmes and the Code of Conduct and Ethics and applicable policies.

The induction shall entail meetings with senior management and visits to the Company's facilities. As part of the induction programme, newly appointed Board members will receive a copy of this Charter. In addition, all Board members are expected to keep themselves abreast of changes and trends in the business and in the Company's environment and markets, which shall include changes and trends in the economic, political, social and legal climate generally.

3.8 BOARD CONTINUOUS SKILLS DEVELOPMENT

The Board will ensure that a competence needs assessment is carried out periodically and an annual development plan, for a minimum of twelve hours per Board member per year, is put in place to address identified gaps. In this regard, Board members will be provided with access to, or notice of, continuing development programs that are designed to keep members abreast of the latest developments in sector best practice, governance and critical issues affecting the company.

The Board shall also receive regular briefings on matters relevant to the business of the Company and changes in laws and regulations.

3.9 REMUNERATION FOR BOARD MEMBERS

The Board shall establish a formal and transparent remuneration policies and procedures to 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, attendance allowances and bonuses.

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

3.10 BOARD PERFORMANCE EVALUATION

The Board shall determine its performance criteria and undertake an annual evaluation of its performance. The Board evaluation provides an opportunity for Board members to identify strengths, collective skill gaps and individual areas of improvement.

The evaluation shall cover the performance of the Board as a whole, its committees, individual members, the Chairperson, the Chief Execution Officer and the Company Secretary.

3.11 BOARD AND MANAGEMENT SUCCESSION PLANNING

The Board shall approve, review annually and maintain a Board skills matrix to guide the appointment and replacement of Board members.

At each Annual General Meeting no more than one third of the directors who are subject to board rotation shall retire.

In addition, the Board shall approve, review and maintain a succession plan for the CEO and Senior Management Staff.

3.12 MATTERS RESERVED FOR THE BOARD

The following matters shall be reserved for decision making by the Board, supported by any recommendation made from time to time by the Committees of the Board.

(a) Financial Functions

- i. The adoption of any significant change or departure in the accounting policies and practices of the Company;
- ii. The raising of incremental borrowing facilities;
- iii. The approval of the strategy, business plans, annual budgets and of any subsequent material changes in strategic direction or material deviations in business plans;
- iv. The approval of annual financial statements, the approval of interim reports, procurement plans; and
- v. Reviewing the Company's financial statements and overseeing its compliance with applicable audit, accounting and reporting requirements.

(b) Governance Functions

- i. Developing a set of governance guidelines;
- ii. Establishing appropriate structures and procedures to allow the Board to function independently of management, such as setting the Board's work plan

- iii. Setting expectations and responsibilities of Board members, including attendance of, preparation for, and participation in meetings;
- iv. Undertaking regular evaluation of the Board, its Committees and its members, and reviewing its composition with a view to the effectiveness and independence of the Board and its members;
- v. The frequency of meetings of the Board;
- vi. The formulation of recommended policies in relation to industrial relations;
- vii. The formulation and amendment of the Company's Code of Conduct and Ethics.

(c) Risk Management Functions

- i. The approval of and effective overseeing of the Company's risk management framework; and
- ii. Reviewing for efficacy the systems put in place by Management to manage risks.

3.13 LIABILITY OF BOARD MEMBERS

A Board member shall not be liable for any act done in good faith in carrying out duties and responsibilities in the Company. While the company shall take out and maintain a Directors' and Officers' Insurance policy, there is no limitation of liability for negligence or breach of the member's duty of care and trust to the Company or its stakeholders. There is also no limitation of liability for acts or omissions not in good faith, or which involve negligence, default, intentional misconduct or violation of the law.

4.0 ROLE AND FUNCTIONS OF THE BOARD

4.1 RESPONSIBILITIES OF THE BOARD

The Board exercises its role collectively and not individually. The principal responsibility of the Board is that of establishing the long-term goals of the Company and ensuring that effective plans are developed and implemented within a commonly agreed organizational structure. This entails:

1. Determining the Company's mission, vision, purpose and core values.
2. Establish a corporate culture with ethical conduct that permeates the whole Company.
3. Setting and overseeing the overall strategy and approving significant policies of the Company.
4. Ensuring that the strategy is aligned with the purpose of the Company and the legitimate interests and expectations of its stakeholders.
5. Ensuring that the strategy of the Company is aligned to the long term goals of the Company on sustainability.
6. Review, monitor and ensure that the Company is effectively and consistently delivering on its mandate.
7. Reviewing periodically the Company's strategic objectives and policies relating to sustainability and social responsibility.
8. Reviewing, evaluating and approving the Company's budget and financial forecast.
9. Monitoring the Company's performance and ensuring sustainability.
10. Reviewing, evaluating and approving major resource allocations and capital investment.
11. Ensuring availability of adequate resources for the achievement of the Company's objectives.
12. Ensuring that the procurement process is cost-effective and delivers value for money.

13. Ensuring effective, accurate, timely and transparent disclosure to stakeholders of pertinent information on the organization's operations and performance.
14. Hiring the Chief Executive Officer on such terms and conditions of service as may be approved and approving the appointment of senior management staff.
15. Ensuring effective communication with stakeholders.
16. Adopting, implementing and monitoring compliance with the Company's Board Charter and Code of Conduct and Ethics and related policies.
17. Reviewing, evaluating and approving the overall organizational structure.
18. Reviewing, evaluating and approving the remuneration structure of the Company.
19. Reviewing on a quarterly basis the attainment of targets and objectives set out by the Board.
20. Enhancing the Company's public image.
21. Monitoring compliance with all applicable laws, listing requirements, regulations and standards.
22. Developing a succession plan for itself, the Chief Executive Officer and Senior management.
23. Ensuring adequate systems and processes of accountability, risk management and internal controls are implemented.
24. Determining the appropriate committee structure and reviewing the same periodically.
25. Determining the Terms of Reference for Board Committees.
26. Making appointments and changes in the composition and leadership of such Committees

4.2 DUTIES OF INDIVIDUAL BOARD MEMBERS

Each Board member shall be responsible in an individual capacity to:

1. Exercise the highest degree of care, skill and diligence in discharging their duties.
2. Act in the best interest of the Company and not for any other purpose.
3. Act honestly at all times and not place themselves in a situation where their personal interests conflict with those of the Company.
4. Exercise independent judgment at all times.
5. Understand and accept the principle of collective responsibility.
6. Devote sufficient time to carry out their responsibilities
7. Promote and protect the image of the Company.
8. Regularly update their knowledge and enhance their skills.
9. Promote transparency and accountability at Board level.
10. Promote teamwork within the Board and the Company.
11. Owe their duty to the Company and not to the nominating or appointing Company.
12. Diligently attend Board meetings and actively participate in deliberations of the meetings.
13. Owe the Company a duty to hold in confidence all information available to them by virtue of their position as a Board member.
14. Disclose real, perceived or potential conflicts of interest and manage these within the agreed framework.

4.3 THE ROLE OF THE CHAIRPERSON

The Chairperson provides overall leadership to the Board and is primarily responsible for the activities of the Board and its committees. The role of the Chairperson includes approving the agenda for board

meetings, chairing the meetings, guiding the decision making process of the Board and ensuring that a record of proceedings of all Board activities is kept. The Chairperson should harness the collective skills of the Board for greater effectiveness and encourage active participation by Board members. The Chairperson acts as the spokesperson for the Board and is the principal contact for the MD/CEO.

The Chairperson shall ensure that:

1. The Board satisfies its duties and responsibilities;
2. Board members when appointed participate in an induction programme and are thereafter continually developed based on identified development needs;
3. Board members receive all information required for them to perform their duties;
4. The Board develops and adheres to an annual work plan;
5. The Board has sufficient time for consultation and decision-making;
6. The Board constitutes Committees and that the committees function properly;
7. The performance of the Board, Board members, the MD/CEO and the Company Secretary is evaluated annually;
8. The performance of the MD/CEO is monitored;
9. There is an appropriate and clear distinction in roles between the Board and the M D / CEO/Management;
10. There is a formal succession plan in place for the Board;
11. Problems relating to the performance of individual Board members are addressed;
12. There is an appropriate culture of transparency and teamwork among Board members;
13. Internal disputes and conflicts of interest concerning individual Board members are addressed;
14. The Board has appropriate contact with the Management; and
15. There is an appropriate link between the Board and governmental bodies.

4.4 THE ROLE OF THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

The MD/CEO shall be appointed by the Board and shall be responsible for the operations and management of day to day affairs of the Company. In this regard, the MD/CEO shall specifically:

1. Provide leadership to senior management and staff.
2. Prepare the annual budgets and establish proper internal controls.
3. Be responsible for the execution and communication of the Board's strategies, decisions and policies.
4. Develop and recommend to the Board the annual business plans for the Company.
5. Ensure that the Company has an effective management structure including succession plans.
6. Ensure that all Board papers are accurately written, are relevant and are given to the Board in good time.
7. Serve as the link between the Board and the Management.
8. Be responsible for the achievement of the objectives of the Company.
9. Put in place effective administrative structures, processes and systems.
10. Provide regular, thorough and prompt communication to the Board on key technical, financial and administrative matters.
11. Be responsible for stakeholder management and the enhancement of the corporate image of the Company.

Being responsible for overseeing the execution of the Board's directions and policies to ensure desirable outcomes, the MD/CEO shall:

- a) Demonstrate commitment to the organization's vision, mission, core values and mandate;
- b) Achieve set performance objectives and targets;
- c) Effectively represent the Company to stakeholders and enhance its public image; and
- d) Promptly respond to Board member's requests for information.

4.5 THE COMPANY SECRETARY

The Board shall be assisted by a suitably qualified, competent and experienced Company Secretary. The Company Secretary shall be appointed by the Board and be empowered to efficiently and effectively execute his or her duties and responsibilities. The Company Secretary should be a Certified Public Secretary in good professional standing. The Principal duties of the Company Secretary are:

1. Provide guidance to the Board on their duties and responsibilities and on matters of governance.
2. Assist the Board in carrying out the following:
 - (a) Board induction and training;
 - (b) Updating the Board and Committee Charters;
 - (c) Preparation of Board work plans;
 - (d) Board evaluation;
 - (e) Governance audit.
3. Ensure the timely preparation and circulation of Board and Committee papers.
4. Ensure the preparation and timely circulation of Board and Committee minutes.
5. Be the custodian of the seal of the Company and account to the Board for its use.
6. Maintain and update the register of conflicts of interest.
7. Facilitate effective communication between the Company and the stakeholders.
8. Ensure that relevant returns are promptly filed with the relevant authorities.
9. Be the custodian of Board minute Books.

5.0 PRACTICES OF THE BOARD

5.1 COMMITTEES OF THE BOARD

Under Article 88 the Board may delegate its power or performance of any of the functions or duties of the Board to a committee of the Board. The Board shall be guided by the following principles;

1. To effectively discharge its mandate, the Board shall establish committees with specific terms of reference and appoint into Committees members with requisite skills and competence to discharge the responsibility of the committees.
2. The Board shall set their Terms of Reference.
3. The Board may however establish other such ad-hoc committees as required to deal with any ad-hoc matters requiring focused attention.
4. In the event that a committee lacks specific skills within its membership, the Board may co-opt skilled non-Board members to serve on the committee, provided that the chair of a Committee shall not be a co-opted member of the Board.
5. The Board may, from time to time, rotate Board members between Committees.

6. The Committees report to the Board and the Board remains collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the Company or powers of the Board.
7. The Chairperson of each committee, in consultation with the Board, will determine the frequency of committee meetings as is necessary to fulfill their functions.
8. The Chairperson of each committee, in consultation with management, will develop the committee's agenda.
9. The Board will determine the procedure and process within which committees may take independent professional advice at the Company's expense.
10. The Board shall ensure that Committees of the Board do not infringe on the operational responsibility of the Management team as this could negatively impact on the operation of the organization.
11. Unless authorised by the Board, all the recommendations of Committees shall be ratified by the Board before implementation by the Management.
12. The Board shall periodically review the mandate and structure of the Committees.
13. The Board shall annually review the effectiveness and performance of each Committee.

5.2 BOARD WORK PLAN

The Board work plan shall be developed and approved by the Board for each financial year and is intended to guide the activities of the Board and its committees during the period. The work plan should focus on the following aspects at a minimum:

- a) A review of management's implementation of strategies, policies and plans.
- b) Risk Assessment and Management.
- c) Budgeting and Financial Management.
- d) Quality Assurance Processes.
- e) Board Evaluation.
- f) Strategic planning and review.
- g) Governance and compliance.
- h) Competence development for Board members.

5.3 BOARD PAPERS

The Board shall establish standards for preparation of Board papers and reports. The MD/CEO shall ensure that all Board papers are accurately written and are relevant.

Board papers should be made available to Board and committee members not less than seven (7) working days before the date of the meeting.

5.4 BOARD AND COMMITTEE MEETINGS

5.4.1 Notice and Agenda

Notice and agenda of Board and Committee meetings will issue from the Company Secretary as directed by the Chairperson of the Board or relevant Committee.

Each Board member is free to suggest the inclusion of items on the agenda by providing notice to the Chairperson at least fourteen (14) days prior to the meeting, to enable preparation. Additional agenda items may be included in the agenda during the meeting subject to approval by the Board or the committee.

Save for the additional agenda items, the agenda for the meetings will be aligned to the Board's work plan which will establish a schedule of agenda subjects to be discussed during the year to the degree this can be foreseen.

Except for urgent cases, detailed agenda accompanied by relevant supporting documents and recommendations will be provided to the Board members at least seven (7) days prior to a meeting. Board members should review these materials in advance of the meeting to enhance effectiveness.

5.4.2 Venue, Time and Frequency of Meetings

Board and committee meetings are generally held at the head office of the Company but may also take place elsewhere as approved by the Board. The time and venue of the meetings should be clearly communicated in the notice for the meeting.

The Board shall meet as regularly as required and at least quarterly in order to effectively lead the Company.

5.4.3 Procedure of Board Meetings

a) Chairing of Meetings

Board meetings shall be chaired by the Chairperson of the Board or in the case of a Committee meeting, the Chairperson of that Committee. In the absence of the Chairperson, one of the Board members designated by the members present at the meeting, will chair.

b) Constitution of Meetings

The quorum for Board meetings shall be more than one half the number of Directors for the time being holding office. Meetings shall only commence upon confirmation that there is quorum for the meeting. Such quorum must be maintained throughout the meeting. Board and committee members shall therefore endeavour to attend and stay throughout the meeting.

Board and committee members who are unable to attend shall inform the respective Chairperson and the Company Secretary well in advance of the meeting for recording.

c) Protocol of Board Meetings

Meetings of the Board or Committees may be held by video or conference call or by any other means of communication approved by the Board, provided that all members have been given prior notification and they can effectively communicate with each other simultaneously.

Board and Committee members are required to adequately prepare for meetings so as to participate fully, frankly and constructively, in Board discussions and other activities, and bring the full benefit of their particular knowledge, skills and abilities to the Board decision-making process.

The following general rules shall apply to meetings;

d) Ordinary Meeting:

The Chairperson, having ensured that the meeting is properly constituted, will also ensure that at an appropriate time during the meeting, the minutes of the previous meeting are confirmed and matters arising therefrom handled.

e) Special Meetings:

A special meeting of the Board or Board Committee will not discuss any matter other than that specified in the agenda.

f) Video/Tele-conferencing:

Where Board or committee meetings are held by video or tele-conferencing in the case where some of the participants will not be physically present. The following guiding principles shall apply:

1. The Company Secretary shall ensure that the necessary arrangements are in place to facilitate effective and secure communication during the meeting;
2. On sending out the notice of the meeting, the Company Secretary shall also confirm whether each Board member or participant will attend physically or through tele-video conferencing;
3. At the start of the scheduled meeting and for the purpose of confirming quorum, a record of attendance shall be taken during which each Board member or participant will clearly state, for the record, their full name, location, type of device being used and give confirmation that they can clearly hear the others;
4. All Board members or participants shall identify themselves for the record before speaking and must confirm that they can clearly hear and/or see each other in the course of the meeting;
5. If a statement of a Board member or participant in the meeting via tele-video conferencing is interrupted or garbled, the Chairperson shall request for a repeat or reiteration;
6. The Chairperson should ensure that resolutions are clarified for record purposes; and
7. The Chairperson should ensure that the agenda is suitable for tele-video conferencing.

g) Decision Making

The Board's discussions will be open and constructive and the Board members, with the guidance of the Chairperson, shall work towards unanimous adoption of resolutions. However, Board members are entitled to voice dissenting opinions and if necessary, have these recorded in the minutes when unanimity cannot be reached.

Resolutions of the Board will be made at Board meetings or approved in writing by circulation, provided that in respect of the latter the proposed resolution is submitted to all Board members and none of them objects to this form of adoption. Approval of resolutions by circulation shall be effected in writing by all Board members and must be unanimous. Objection to this method of adoption or to the proposed resolution should also be in writing.

h) Resolutions and Minutes

The Company Secretary shall take minutes of all meetings of the Board and its Committees as a record of

the outcomes, rather than the course of discussion, with resolutions being highlighted therein. The minutes should be circulated to the Board or committee members as soon as possible after the meeting.

Upon confirmation, the minutes should be signed by the Chairperson and added to the records of the Company. Corrections to previous minutes will be recorded in the minutes of the meeting where the corrections are made and adopted by the Board members. The Board may however require the minutes to be rewritten if the corrections are substantial. Urgent resolutions may be drawn up and signed immediately in the relevant meeting. The Company Secretary shall keep all the minutes of Board and Committee meetings.

i) Implementation of Resolutions

Generally, the Board delegates to the MD/CEO responsibility to implement the resolutions of the Board. The MD/CEO may delegate some of these responsibilities to Senior Management but he remains accountable. The Board is responsible for monitoring the implementation of the resolutions.

5.5 BOARD MEMBERS' ACCESS TO EMPLOYEES AND TO THE COMPANY'S INFORMATION

Board members should have full and free access to employees of the Company but such access should be arranged through the MD/CEO. The Board members will use their judgment to ensure that any such access does not disrupt the operations of the Company.

The Board members are entitled to have access, through the Chairperson, to all information that they may need for the conduct of their business. The Chairperson and the MD/CEO may invite members of Management to make presentations at Board meetings in order to provide particular insights into certain aspects of Company's business.

Discussions and records of Board meetings will remain confidential unless a specific direction is given from the Board to the contrary. Board Members must personally take the necessary precautions to preserve the confidentiality of such information and Board matters and not divulge the same under any circumstances in line with the Confidentiality Policy contained in the Code of Conduct and Ethics.

5.6 CODE OF CONDUCT FOR BOARD MEMBERS

Board members have a duty to act ethically at all times and in accordance with this Charter and in line with their fiduciary duty to act honestly and in the best interests of the Company. The Board shall therefore promote ethical conduct and sanction misconduct. Towards this end, the Board shall develop and adopt a Code of Conduct and Ethics ('the Code'), Whistle blowing, Confidentiality and Conflict of Interest and Gifts policies, and ensure that all Board members subscribe to the same. The Board shall review the Code and policies as necessary.

5.7 GOVERNANCE AUDIT

The Board should ensure that a governance audit of the Company is undertaken periodically. The purpose of the governance audit is to ensure that the Company conforms to the highest standards of good governance.

5.8 TRANSPARENCY AND DISCLOSURE

The Board shall ensure effective, accurate, timely and transparent disclosure of pertinent information on the Company's operations and performance as follows:

5.8.1 The Board shall ensure disclosure of the following in the Annual Reports:

- (a) A statement on whether it has an Audit Committee, the members, their qualifications, independence and the mandate of such committee.
- (b) Whether evaluation of the Board, the Chairperson, the MD/CEO and Company Secretary has been undertaken.
- (c) Whether independent and other non-executive directors constitute at least two thirds of the Board and if it satisfies the representation of the minority shareholders.
- (d) A statement on the Company's vision, mission values and strategic objectives and how these influence Board and Management behaviour towards maximization of shareholder value.
- (e) Whether a legal and compliance audit was carried out as required.
- (f) The level of compliance with Laws, Regulations and Standards.
- (g) Any material departures from required compliance, the causes of non-compliance and the measures to address the non-compliance.
- (h) Details of current Board members including their qualifications, other board membership and whether they are regarded as independent and if so, the criteria used to support the independence.
- (i) The Company's policy on conflict of interest.
- (j) The Company's environmental, social and governance policies and implementation thereof.
- (k) The Management Discussion and Analysis, setting out;
 - Management's assessment of the factors that affected the Company's financial condition and results of operation over the period covered by the financial statements; and
 - Known trends that are reasonably likely to have a material effect on the Company's financial condition and results of operations in the future.
- (l) Whether a Governance audit was carried out.
- (m) The governance structure including the composition and size of the Board, the committees of the Board, Management and their mandate.
- (n) The Company's policy on information technology.
- (o) A confirmation that there were no known insider dealings.
- (p) The Company's risk management policy.
- (q) The top ten key shareholders.
- (r) A statement on compliance with good corporate governance. The statement should indicate aspects of the Code which have not been applied, the reasons thereof, indicative timelines and proposed strategies towards application.
- (s) The Company's policy on procurement.
- (t) Resignation of a serving Board member.
- (u) The Company's Whistle Blowing Policy.

5.8.2 The Board shall disclose in the financial statements:

- a) The remuneration of directors, individually and collectively;

- b) The salaries and remuneration of the MD/CEO and the senior management.
- c) That it has complied with the International Financial Reporting Standards in preparing the financial statements;
- d) Any deviation from financial policies;
- e) That the Company is a going concern based on the Triple Bottom Line concept;
- f) Disclose to stakeholders the major sources of revenue and items of expenditure; and
- g) Related party transactions.

5.8.3 The Board shall disclose on the Company's website:

5.8.3.1 The Code of Ethics and Conduct of the Company;

5.8.3.2 The policy of the Company on conflict of interest and gifts;

5.8.3.3 The policy of the Company on whistle blowing;

5.8.3.4 The extent to which the above policies have been effective in tackling unethical behavior within the Company.

5.8.3.5 The Company's Board Charter.

5.8.3.6 The Company's policy on Corporate Social Responsibility and Investment/ESG.

5.9 ACCOUNTABILITY, RISK MANAGEMENT AND INTERNAL CONTROLS

The Board shall ensure that the Company has adequate systems and processes of accountability, risk management and internal controls to ensure that financial statements are prepared accurately and in a timely manner, effective processes and systems of risk management and internal controls are in place and the procurement process is cost-effective and delivers value for money for the Company.

In this regard;

- (a) The Board shall establish and implement a process to provide reasonable assurance regarding the reliability of financial reporting and compliance with applicable laws and regulations so as to achieve the objectives and long-term goals of the Company.
- (b) The Board shall also ensure the identification of real or potential events that may negatively impact the Company's ability to achieve its objectives and develop a framework for managing these events.
- (c) The Board shall also ensure that the external audit of the financial statements is completed and submitted to the requisite authorities within timeliness stipulated in any law or government policies.
- (d) In addition, the Board shall ensure the establishment of a committee responsible for audit and which shall oversee the internal audit function and the external audit.
- (e) The Board shall ensure that the procurement process is cost-effective and that it delivers value for money for the Company. In this regard, the Board shall establish a procurement policy that promotes sustainability, high ethical standards and best practice.
- (f) The Board recognizes the importance of the use of Information Communication Technology ("ICT") tools to and shall leverage its use to conduct business and interact with stakeholders and in monitoring the performance of the Company. The Board shall establish an ICT policy that promotes the use of ICT.

5.10 CONFLICT OF INTEREST

Board members must avoid conflicts of interest between their private activities and their part in the conduct of the business of the Company as specifically provided in the Code of conduct and Ethics.

5.11 STAKEHOLDER RELATIONSHIPS

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.

5.12 CORPORATE CITIZENSHIP

The Board shall foster a corporate culture that promotes ethical practices and ensure good corporate citizenship and corporate social responsibility and investment.

5.13 COMMON SEAL OF THE BOARD

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 MD/Chief Executive Officer, Company Secretary or the Chairperson of the Board or any other officer authorized by the Board.

5.14 DISPUTE RESOLUTION

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.

5.15 COMPLIANCE WITH LAWS AND REGULATIONS

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.

The Board shall ensure that a legal compliance audit is carried out at least annually, with the objective of establishing the level of adherence to applicable laws, rules, regulations and standards.

5.16 REVIEW OF THE CHARTER

The Board will review this Charter as required to ensure it remains consistent with the Board's objectives and responsibilities. The Board will review this Charter at least every two years and, if appropriate, revise this Charter from time to time.

6.0 BOARD MEMBERS UNDERTAKINGS IN LINE WITH THE CHARTER.

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

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.
 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.
 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.
 4. To dedicate the time and attention necessary to fulfill my duties.
 5. To preserve my independence of analysis and judgment in all circumstances and to resist any pressure direct or indirect from whichever source.
 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.
 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.
 8. I further undertake to prepare sufficiently for meetings by carefully considering Board papers and attachments thereto and where necessary seeking clarifications.
 9. To keep in confidence all information that comes to me by virtue of my position on the Board.
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