



**JUBILEE HOLDINGS LIMITED
("the Company")**

BOARD CHARTER

1 PREAMBLE

The Company is committed to good corporate governance and to complying with legislation, regulations and codes of best practice in all jurisdictions in which it operates. The Board of Directors ("**the Board**") subscribes to generally accepted principles of good corporate governance and has adopted the Capital Markets Authority Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015.

2 OBJECTIVES OF THE CHARTER

This Board Charter defines the governance parameters within which the Board exists and sets out specific responsibilities to be discharged by the Board and directors collectively, as well as certain roles and duties incumbent upon directors as individuals.

This Board Charter has been established to facilitate the full and free exercise of the qualities to be outlined hereunder and to ensure the effectiveness of each director's contribution, consistent with the standards of independent judgment, ethics, and integrity that directors are expected to observe.

Whilst the Board Charter stipulates minimum acceptable standards of conduct, it is critical that in pursuit of ideas underlying it, substance takes precedence over form.

3 COMMITMENT AND INDEPENDENCE

By subscribing to this Charter, each director acknowledges the Company's values and commits to upholding them. Therefore, directors undertake to take into account not only the possible financial impact of their decisions, but also their consequences for sustainable development, their effect on relations with stakeholders and the general interest of the communities in which the Company operates.

In all circumstances, each director undertakes to preserve his/her independence of judgment, decision and action, and to resist any pressure, direct or indirect, whether by other directors, creditors, suppliers or more generally, any third party.

Each director undertakes that, in arriving at a decision on any issues, he/she shall strive to ensure that the decision is in the best interest of the Company and is not driven by personal or any other interests.

4 BOARD STRUCTURE

4.1 Size and Composition of the Board

- 4.1.1 The Board shall comprise of not less than seven (7) and not more than twelve (12) directors unless otherwise determined as provided in the Company's Articles of Association.
- 4.1.2 The Board shall compose of a balance of executive, non-executive and independent directors of diverse skills or expertise, in order to ensure that no individual or group of individuals can dominate the Board's decision-making process.
- 4.1.3 Irrespective of a director's special expertise and knowledge, and regardless of whether a director is an executive, non-executive or independent director, all directors recognize that they are collectively responsible to the shareholders for the performance of the Company.

4.2 Appointments to the Board

- 4.2.1 There shall be a formal and transparent procedure in the appointment of directors. All appointments shall be coordinated by the Board Nominating and Human Resource Committee (BNHRC) which shall propose new nominees to the Board and/or consider candidates for directorship. However, the responsibility of appointing directors shall rest with the full Board after considering the recommendations of the BNHRC.
- 4.2.2 New directors appointed by the Board to fill vacancies shall retire at the next Annual General Meeting and shall be eligible to offer themselves for re-election by shareholders.
- 4.2.3 All directors will be given letters of appointment upon joining the Board which will specify the terms relative to their appointment, including but not limited to, the term remuneration, duties and responsibilities, matters pertaining to conflict of interest, confidentiality and any other matters as stipulated by the BNHRC.
- 4.2.4 All appointments will be based on merit and against objective criteria which shall include the following:
- integrity and standing in society;
 - balance between executive, non-executive and independent directors¹ with the latter forming at least one third (1/3) of the total number of directors.;
 - mix of skill, knowledge, expertise and experience;
 - diversity;
 - literacy in diverse business and management fields;
 - track record of high performance;
 - ability to exercise sound independent judgment;
 - good communication skills;
 - leadership qualities;
 - as a minimum, technical (industry specific) skills; and
 - succession planning.
- 4.2.5 The BNHRC shall undertake an annual review of the Board composition to ensure that the membership mix is appropriate and addresses the needs of the Board and business.

¹ The term 'independent director' shall be as defined by CMA regulations

4.3 Board Diversity

- 4.3.1 The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. Towards this end, the Board shall consider diversity in academic qualifications, technical expertise, relevant industry knowledge, experience, nationality, age, gender and cultural background in the composition of its members.
- 4.3.2 The BNHRC will formulate measurable objectives for achieving diversity on the Board.
- 4.3.3 The ultimate decision on Board appointments while being based on merit and the contribution that the selected candidates bring to the Board, will bear in mind the benefits of diversity.

4.4 Removal of Directors

- 4.4.1 The office of director shall be vacated by statute, death or under the provisions of the Company's Articles of Association.
- 4.4.2 The termination of an employment contract of an executive director will result, *ipso facto*, in the termination of his/her membership of the Board, unless the Board determines otherwise.
- 4.4.3 The Company shall disclose the resignation by a serving director immediately in (a) two newspapers with national reach (b) on the Company website and (c) in the Annual Report.
- 4.4.4 The Company shall also immediately notify the Capital Markets Authority of a director's resignation including the reasons necessitating the resignation.

4.5 Alternate Directors

- 4.5.1 Any Director may at any time, subject to vetting by the BNHRC, appoint another director or any person approved by the Board to be his/her Alternate director to act in his/her place at any meetings of the Board at which the appointer is unable to be present. Such appointee shall be entitled, in the absence of the appointer, to exercise all the rights and powers of a director and to attend and vote at meetings at which the appointer is not personally present and where the appointee is a director, to have a separate vote on behalf of the appointer in addition to his/her own vote.
- 4.5.2 An Alternate director has all the obligations imposed on the substantive director and shall be deemed to be a director for all intents and purposes and shall be bound by the provisions of this Board Charter.
- 4.5.3 Any substantive director, whether body corporate or natural person shall have only one Alternate director.
- 4.5.4 An Alternate director shall *ipso facto* cease to be an Alternate director if the appointer ceases to be a director or if the appointment is revoked or if he/she resigns.
- 4.5.5 An Alternate director shall not be appointed as a member of the Board Audit committee.

4.6 Multiple Directorships

- 4.6.1 A Director may hold directorships in other public listed companies subject to not more than three (3) public listed companies in at any one time; and:
- If the Chairman, shall not hold such position in more than two (2) public listed companies;
 - If an executive director, shall be restricted to one (1) other directorship of another listed company.
 - If an Alternate director, shall not hold such position in more than two (2) public listed companies.
- 4.6.2 The above restrictions shall apply to directorships in Kenya and are to ensure effective participation by directors in Board affairs.

5 TERM

- 5.1 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, save the executive directors shall be required to retire by rotation at the Annual General meeting in every year as provided under Article 85 of the Company's Articles of Association. The executive directors shall be on fixed-term contracts which shall be based on pre-agreed performance criteria.
- 5.2 The term of office of the Board members shall be organized in a manner that ensures that there is a smooth transition.

6 BOARD PROCEEDINGS

6.1 Frequency of Board meetings

The Board shall develop and maintain reporting and meeting procedures for itself and its Committees as it thinks fit. Regular Board meetings shall be held at least four (4) times a year on dates and at venues agreed by the directors. Unless otherwise agreed, the meetings shall take place in Nairobi.

6.2 Notification of meetings and Agenda

- 6.2.1 The Company Secretary shall, in consultation with the Chief Executive and the Chairman, be responsible for issuing proper notice of Board meetings and circulation of relevant Board papers. The Agenda and Board papers will be circulated at least (five) 5 working days in advance of the meeting to allow Directors sufficient time for review before the meeting.
- 6.2.2 The Board has sole authority over its Agenda and exercises this through the Chairman. Any member may through the Chairman request the addition of an item to the Agenda. The Chairman working with the Chief Executive and the Company Secretary will set the Agenda.

6.3 Attendance at Board meetings

The quorum necessary for transacting the business of the Board may be fixed by the directors and unless so fixed shall be four (4) directors present in person or through Alternate.

6.4 Decision at Board meetings

The Board shall endeavor to arrive at decisions through consensus. Questions arising at any meeting shall be determined by a majority of votes of the directors present and in the case of any equality of votes, the Chairman shall have a second or casting vote.

6.5 Board Minutes

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

6.6 Board Work Plan

The Board shall prepare a Work Plan setting out the activities planned for each financial year. The Work Plan will cover amongst others, the timings for regular Board and Committees meetings and the Annual General Meeting, special projects and principal areas of focus in that year. Each year's Work Plan shall be presented to and be approved by the Board at the commencement of the calendar year.

7 ROLE OF THE BOARD / CHAIRMAN / CHIEF EXECUTIVE

7.1 Board

The Board shall assume a primary responsibility of fostering the long term business of the Company consistent with its fiduciary responsibility to the shareholders. The Board of directors should accord sufficient time to its functions and act on a fully informed basis while treating all shareholders fairly, in the discharge of the following responsibilities, amongst others:

- define the Company's Mission, Vision and Values, its strategy, goals, risk, policies plans and objectives;
- ensure effective accountability and stewardship of resources within the Company;
- oversee the corporate management and operations, management accounts, major capital expenditures and review corporate performance and strategies at least on a quarterly basis;
- identify the corporate business opportunities as well as principal risks in its operating environment including the implementation of appropriate measures;
- to manage such risks or anticipated changes impacting on the corporate business;

- ensure the efficient management of the Company and development of appropriate staffing and remuneration policy including the appointment of Chief Executive and senior staff; ensure that the Company has developed succession plans for its directors and senior management;
- review on a regular basis the adequacy and integrity of the Company's internal controls, acquisitions and divestitures and management information systems;
- ensure that the Company complies with all relevant laws, regulations, rules and guidelines;
- establish and implement a system that provides necessary information to the shareholders including shareholder communication policy for the Company;
- take into consideration the interests of the Company's stakeholders maintaining an effective disclosure and communication system with all stakeholders;
- approve the Company's annual budgets;
- ensure the Company has developed an effective Corporate Social Responsibility programme;
- regularly evaluate its performance and effectiveness as a whole and that of individual directors including the Chief Executive, the Company Secretary and the Chairman;
- monitor the adequacy and effectiveness of the Company's governance structures; and
- monitor and manage potential conflict of interest situations at management Board and shareholder level.

7.2 In discharging the above role, directors are expected to have the following attributes:

- act in good faith and in a transparent and professional manner, having regard to their fiduciary duty and responsibilities to the shareholders;
- exercise independent judgment in the interests of the Company; and

7.3 Chairman

7.3.1 There shall be a clear separation of the role and responsibilities of the Chairman and the Chief Executive to promote:

- accountability and facilitate division of responsibilities.
- balance of power and authority such that no one individual has unfettered powers of decision making.

7.3.2 The Chairman's shall be a non-executive Board member and shall not be involved in the day-to-day running of the business so as to provide effective oversight to the Company.

7.3.3 The Chairman's primary role is to direct the Board's business and act as its facilitator and guide, ensuring the Board is effective in its task of setting and implementing the Company's corporate direction and strategy. More specifically, the Chairman's responsibility will include:

- providing overall leadership to the Board;
- determining the agenda and ensuring that the directors receive accurate, timely and clear information of business to be transacted at Board meetings;
- chairing and efficiently conducting Board and shareholders general meetings;
- maintaining a close but independent working relationship with the Chief Executive;
- acting as an information link between the Board, management and shareholders;
- harnessing the collective skills of the Board and the executive team;
- facilitating and enabling an environment conducive to free and open discussions;
- heading the Board evaluation process;

- guiding the Board decision-making process and where there is extreme necessity use his/her casting vote; and
- in consultation with the BNHRC, to ensure that effective induction and training programmes for directors are developed and implemented and to monitor the overall activities and performance of Board and Committees.

7.4 Chief Executive

The Chief Executive shall be responsible for the day-to-day leadership of the Company’s business affairs and in general, shall be responsible for the following:

- formulating strategy and policy for Board approval;
- ensuring a clear flow of information between management and the Board in order to facilitate both quantitative and qualitative evaluation and appraisal of the Company’s performance.
- implementing and communicating policies and strategies approved by the Board;
- preparing budgets, business proposals and submissions for Board approval;
- achieving the Company’s financial and operating goals and objectives;
- ensuring continuous improvement in the quality and value of the products and services provided by the Company;
- overseeing personnel matters including hiring and firing of senior staff and ensuring that the Company has an effective management team structure and succession plan;
- maintaining proper internal controls;
- maintaining a conducive work environment for attracting, retaining and motivating staff; and
- nurturing a corporate culture that promotes ethical practice.

7.5 The Board shall have a clear succession plan for the Chairman and Chief Executive to avoid undue disruptions that may be caused by unplanned and sudden departures that could undermine the Company’s and shareholders’ interests.

8 BOARD COMMITTEES

To enable the Board effectively discharge its duties, the Board may form Committees of its members and delegate specific mandates to such Committees as may be. The Committees shall conduct their affairs subject always to their Terms of Reference as approved by the Board. The Board shall establish the following Committees and delegated to them specific mandates:

8.1 Board Audit & Compliance Committee (BACC):

The mandate of the BACC and the key areas of responsibilities include the following:-

<p><u>Financial Reporting & Financial Control</u></p> <ul style="list-style-type: none"> ▪ To be informed, vigilant and effective overseers of the financial reporting process, governance process, internal controls, compliance and risk management issues in the Group; 	<p><u>External Auditors & External Audit</u></p> <ul style="list-style-type: none"> ▪ To consider the appointment of the Company’s external auditors, the audit fee and any questions of resignation or dismissal of such external auditors;
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<ul style="list-style-type: none"> ▪ To ensure that the Company's financial statements comply with applicable financial reporting standards; ▪ To review the quarterly, half-yearly and year-end financial statements of the Company focusing on: <ul style="list-style-type: none"> (i) Any changes in accounting policies and practices; (ii) Significant adjustments arising from the audit; (iii) The going concern assumption; and (iv) Compliance with IAS and other legal requirements. 	<ul style="list-style-type: none"> ▪ To discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved; ▪ To discuss problems and reservations arising from the interim, final and any other special audits within the Group, and any matters the external auditors may wish to discuss (in the absence of management where necessary); ▪ To review the external auditors' Management Letters and management's responses and review Representational Letters; ▪ To evaluate any factors related to the independence of the Company's external auditors and assist the external auditors in preserving their independence;
<p><u>Internal Audit</u></p> <ul style="list-style-type: none"> ▪ review of the adequacy, scope, functions and resources of the internal audit function, and ensure that it has the necessary independence and authority to carry out its work; ▪ review the internal audit program and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function; ▪ review any appraisal or assessment of the performance of members of the internal audit function; ▪ approve any appointment or termination of senior staff members of the internal audit function; ▪ ensure that the internal audit function is independent of the activities of the Company and is performed with impartiality, proficiency and due professional care; ▪ determine the effectiveness of the internal audit function; 	<p><u>Risk Management</u></p> <ul style="list-style-type: none"> ▪ To review any risk management issues within the Group; ▪ To monitor matters relating to frauds, conflict of interests, abuse of office, receive and address any whistle blowing reports within the Group and ensure controls are implemented to minimize such instances; <p><u>Compliance</u></p> <ul style="list-style-type: none"> ▪ Monitor compliance with all legal, regulatory and policy requirements relating to the Company and recommend necessary action to address cases of non-compliance. ▪ Review and make recommendations on management programs established to monitor compliance with the code of conduct.

<ul style="list-style-type: none"> ▪ be informed of resignations of internal audit staff and provide the resigning staff members an opportunity to submit reasons for resigning; ▪ review the work and reports of the internal audit function and report to the Board on the co-ordination between the internal and external auditors, staffing of the function, its programme of work, its reporting procedures, the implementation of its recommendations and its standing within the Group; ▪ consider major findings of internal investigations and management's responses; and ▪ review and approve on an annual basis the Internal Audit Work Plan and budget to ensure independence of the internal audit function; 	
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8.2 Board Nominating and Human Resource Committee:

This Committee's mandate includes the following:

- 8.2.1 To vet all new nominees to the Board;
- 8.2.2 Having regard to the independence and quality of nominees to the Board, make recommendations to the Board so as to ensure that all nominations are fair and transparent
- 8.2.3 To regularly review the mix of skills and expertise that the executive, non-executive and independent directors bring to the Board and make disclosure of the same in the annual report;
- 8.2.4 To assess the effectiveness of the Board as a whole, the committees of the Board as well as each individual director;
- 8.2.5 To determine the remuneration of non-executive directors for approval by the Board and ultimately approval by shareholders;
- 8.2.6 To ensure that there are adequate succession plans in place for Board members and senior management and make recommendations to the Board;
- 8.2.7 To review and approve the HR strategy in the Company;
- 8.2.8 To review and determine the Company's policy on remuneration and advise on the specific remuneration packages of executive directors and senior management, so as to:
 - Ensure that both are fairly rewarded for their individual contributions to the Company's overall performance; and
 - Demonstrate that the pay of executive directors and senior management is set by a committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the public and of the financial health of the Company.
- 8.2.9 To review and determine the performance measures to be used for the purposes of annual incentive payments

8.2.10 To approve the Human Resource Policy and organization structure and any material amendments thereto.

8.3 Board Finance Committee:

The Board Finance Committee's principal functions include:

8.3.1 To supervise the financial and investment business of the Company including reviewing credit control reports pertaining to premiums, rent and mortgage portfolios.

8.3.2 To review and recommend to the Board for approval, overdraft limits and other borrowings.

8.3.3 To review guidelines and limits for investment of funds in government securities, deposits with banks and other financial institutions.

8.3.4 To review the financial and investment business of the Company and provide guidelines and limits for investment of the Company's funds.

8.4 Board Information Technology Committee:

The Committee is responsible for overseeing and monitoring the IT strategy and roadmap formulation, IT investment proposals such as new systems recommendations from a technical and operational perspective

8.5 Board Property Committee:

The Committee oversees the Company's property portfolio and makes recommendations to the Board.

9 CONFLICT OF INTEREST

9.1 The Directors are under a fiduciary duty to act honestly and in the best interests of the Company. To this end, directors should avoid putting themselves in a position where their self-interest conflicts with their duty to act in the best interests of the Company.

9.2 It shall be the duty of a director to disclose any area of conflict of interest or potential conflict of interest that may undermine his/her position as director and to this end have his interest duly recorded.

9.3 The provisions of conflict of interest herein shall be complimentary to the provisions relating to the same in the Companies Act, 2015.

10 DECISION MAKING

10.1 Directors are encouraged to hold discussions openly and constructively, recognizing that genuinely held differences of opinion could, in such circumstances, bring greater clarity and lead to better decisions.

10.2 Each director commits to express their views in a forthright manner and to use all means at their disposal to convince the Board of the validity of their position should they hold that a proposed Board decision is not in the best interest of the Company.

10.3 The Chairman will facilitate free, fair and open discussions on all matters tabled for consideration. He will use best endeavors to seek consensus in Board decisions failing which he will call for a vote.

10.4 The Company Secretary will keep a register of all decisions that are voted upon and the vote of the respective directors.

11 CONFIDENTIALITY

- 11.1 Information concerning the Company which is communicated orally or in Board papers, to Directors in confidence in connection with their functions is provided *intuit personae* (in consideration of the person). Directors must personally take the necessary precautions to preserve the confidentiality of such information and not divulge it under any circumstances. This personal responsibility applies equally to Alternate directors.
- 11.2 The Company Secretary shall ensure that any employee, consultant or invitee attending Board/Committee meetings is aware of this duty of confidentiality and is bound accordingly.

12 DIRECTORS REMUNERATION

- 12.1 The Board, through the BNHRC, shall establish a formal and transparent procedure for remuneration of directors. The BNHRC shall be responsible for reviewing the directors' remuneration and recommending changes from time to time.
- 12.2 The non-executive directors of the Board shall receive a quarterly director's fee and sitting allowance. They shall not be covered by the Company's incentive programmes and shall do not receive performance-based remuneration. No pension contributions are payable on non-executive directors fees. The Company will however reimburse all reasonable and properly-documented expenses the Directors incur in performing their duties.
- 12.3 In considering the remuneration of non-executive directors the BNHRC shall consider:
- remuneration shall be sufficient to attract and retain highly qualified directors;
 - remuneration that is competitive and in line with remuneration for other non-executive directors in the same industry;
 - remuneration that is aligned with the business strategy and long-term objectives of the Company.
- 12.4 The fees and sitting allowances are determined by the Board and are approved by the shareholders at the Annual General Meeting. The remuneration to directors shall be appropriately disclosed in the Annual Report.
- 12.5 The executive directors' remuneration should be competitively structured and linked to performance.

13 DIRECTORS' ORIENTATION AND TRAINING

- 13.1 Newly appointed directors will undergo a comprehensive, formal and tailor made induction programme, to ensure their effective contribution to the work of the Board and committees. The induction will amongst others, cover the nature of the Company's business, organizational structure, Board and Committee mandates, key strategies, Board practices and procedures as well as the role duties and responsibilities of directors. The induction process will be coordinated by the Chief Executive and the Company Secretary.
- 13.2 All directors will also receive continuing training to extend and refresh their knowledge and skill which add to their effectiveness in the discharge of their responsibilities. Training is required due to the weighty responsibilities placed upon directors, and due to the fast changes in the corporate environment which requires preparedness on the directors. In this regard and as a minimum, all directors will undergo formal training and certification in corporate governance and in every year shall undergo at least twelve (12) hours of Board development in governance.
- 13.3 The Company shall provide the necessary resources for implementing such training programmes.

14 PERFORMANCE EVALUATION

- 14.1 The Board shall undertake an annual evaluation of its own performance, the performance of the Chairperson, that of its committees, individual members, the Chief Executive and Company Secretary.
- 14.2 The primary purpose of the evaluation is not only to enhance the performance, effectiveness and contribution of each director, but also to improve the effectiveness of the Board as a whole. The formal evaluation once a year will not replace informal feedback on performance on an ongoing basis.
- 14.3 The results of the evaluation will be used to determine the strengths and weakness of the Board identify any skills gap in the composition of the Board and provide important input for appointments, re-appointments and specific training needs of directors.
- 14.4 The Board shall agree on the parameters to be used in the annual evaluation process and shall work with independent governance specialists to develop the parameters to be included in the evaluation toolkit.

15 ACCOUNTABILITY AND AUDIT

- 15.1 The Board is responsible for:
- ensuring that qualified, competent, fit and proper persons are employed to undertake accounting and financial responsibilities;
 - ensuring the integrity and adequacy of the Company's accounting and financial systems;
 - ensuring the Company complies with applicable accounting standards and regulatory framework.
- 15.2 The Board shall present to the stakeholders, annually, a balanced and understandable assessment of the Company's financial position and prospects. The directors shall explain in the Annual Report their responsibility for preparing the accounts and express their opinion on whether the Company remains a going concern, with supporting assumptions or qualifications as necessary.

16 INTERNAL CONTROL

The Board is responsible for the Company's systems of internal control. It shall set appropriate policies on internal control, and shall regularly (at least annually) conduct a review of the effectiveness of the Company's systems of the internal controls, and confirm to the shareholders the position. The review shall cover all material controls, including financial, operational compliance, as well as risk management procedures. The Board shall further ensure that the system of internal control is effective in managing risks in the manner in which it has approved.

17 INSIDER TRADING

The Capital Markets Authority Act has prescribed certain regulations that expressly prohibit the use of unpublished insider information. The Company has also set an Insider Trading Policy in regard to trading in the shares of the Company. Accordingly directors shall not, directly or indirectly, buy or sell shares in the Company while in possession of insider information or disclose inside information to anyone within or outside the Company. Insider trading apart from being prohibited by this Charter and the Directors Code of Ethics and Conduct is illegal.

18 PROCESS OF REVIEW OF THE BOARD CHARTER

The Board shall review this Charter as and when necessary to ensure it remains relevant to the Company's business objectives and best practices for corporate governance.