



# **I&M GROUP PLC BOARD CHARTER**

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## **A. PART I - INTRODUCTION**

- 1.1 The strategic aspiration for I&M Group Plc (the "Group" or the "Company") is to be **Eastern Africa's leading financial partner for growth**. This entails being partners of growth for all stakeholders with the aim of achieving long term sustainable shareholder value. To attain this, the Board appreciates that establishment of a sound corporate governance framework is a key component for success and is committed to ensuring that the Group applies the principles necessary for good corporate governance and ethical behavior.
- 1.2 This Board Charter ("Charter") is set out in three parts. Part I is the Introduction. Part II outlines the Corporate Governance guiding principles for smooth functioning and management of the Board of as well as its wholly owned subsidiaries and any associated companies, collectively referred to as the Group and Part III outlines the authority, roles and responsibilities of the Board of Directors ("Board") as a collective unit, individual members, the Chairman, Group Executive Director and the Company Secretary.
- 1.3 In adhering to the responsibilities and principles set out in this Charter, the Board is expected to perform its duties with integrity, honesty, competence, diligence, courage and independence.
- 1.4 This document is to be read in conjunction with the Articles of Association of the Company from which the Board derives its authority and power as well as the Capital Markets Authority ("CMA") Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 and the Guidelines on Non-Operating Holding companies CBK/PG/24, issued by the Central Bank of Kenya ("CBK") and as may be issued from time to time as well as the Group Corporate Governance Policy and Group Minimum Standards on Corporate Governance.

## **B. PART II – CORPORATE GOVERNANCE PRINCIPLES**

### **1. Introduction**

- 1.1 Each of its Directors and the Boards and management of each company in the Group are fully committed to high standards of corporate governance, which includes embracing the following principles:
- 1.1.1 To observe high standards of ethical and moral behaviour;
  - 1.1.2 To act in the best interests of shareholders;
  - 1.1.3 To ensure that the Company acts as a good corporate citizen;
  - 1.1.4 To recognize the legitimate interests of all stakeholders;
  - 1.1.5 To disclose accurate, adequate and timely information so as to allow stakeholders make informed decisions;
  - 1.1.6 To ensure ordinary shares feature one vote for each share and shareholders' right to vote is upheld; and
  - 1.1.7 To ensure disclosure of matters pertaining to Corporate Governance in accordance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 from time to time.
  - 1.1.8 To ensure all major strategic modifications to the core business(es) of the Group are approved by shareholders;
  - 1.1.9 To focus Board attention on optimizing over time the Group's operating performance and shareholders returns.

### **2. Structure of the Board**

- 2.1 The Board is a link between the shareholders and the Company. The Directors are collectively responsible to lead and control the Company to enable it to obtain its strategic objectives. The Company shall at all times be headed by an effective Board that offers strategic guidance, leads and controls the Company and is accountable to its shareholders. The Board will at all times consist of
- 2.1.1 Non-executive and Executive Directors who can bring a broader view to the Company's affairs, and
  - 2.1.2 Independent Directors who can bring additional experience as well as independence and clarity of thought to deliberations.

### **3. Composition of the Board**

- 3.1 The Board will have an appropriate balance of independent, non-executive and executive directors under the firm and objective leadership of a Chairperson to ensure both excellent performance and good governance to serve the interest of all stakeholders of the Company. In accordance with the Company's Articles of Association, the Board shall have a minimum of five (5) and a maximum of twelve (12) Board Members (excluding Alternate Directors). The actual proportion and balance of independent, non-executive and executive directors may however vary from time to time in accordance with the prevailing circumstances including requirements, if any, imposed by regulatory authorities.
- 3.2 The Board will at all times have at least one-third of its membership composed of independent directors for the protection of shareholders' interest (including minority interests). Further non-executive directors shall not be less than three fifth of the total number of directors. The structure of the Board should also comprise a number of directors, which fairly reflects the Company's shareholding structure.
- 3.3 In addition, the Board shall ensure that the functions of the Chairperson and the CEO are not exercised by the same individual.

### **4. Eligibility, Selection & Appointment of Directors**

- 4.1 The Board will be responsible for nominating members to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders.

In considering potential directors to recommend to shareholders, the Board will seek to not only identify candidates with appropriate skills, knowledge and experience to contribute to effective direction of the Group but also ensure achievement of diversity in its composition. In applying its selection criteria, the Board shall identify candidates who can exercise independent and informed judgement on matters which come to the Board and, in the case of independent directors, candidates who are free of any business or other relationship that may interfere with the exercise of the individual judgement.

- 4.2 To ensure objective judgment about the affairs of the Group, the following individuals will not be eligible to be appointed as directors:
- 4.2.1 Professionals (e.g. lawyers, accountants and valuers) involved in the provision of professional services to the Group
  - 4.2.2 Senior officers and non-executive directors of a government regulatory body where there may be a conflict of interest.

The Board collectively will have adequate knowledge and experience relevant to each of the material financial activities the Group intends to pursue in order to enable effective governance and oversight. At all times, the Board shall ensure that it is compliant with the Board composition guidelines contained in this Charter. The Board through the Board Nomination Remuneration & Governance Committee (BNRGC) shall nominate and recommend for appointment of Directors in accordance with the procedure outlined in Appendix 2.

## 5. **Alternate Directors**

- 5.1 An Alternate Director may be nominated by the substantive Director and shall be subjected to vetting by the Board Nomination, Remuneration & Governance Committee using similar criteria for the nomination of substantive Directors. There will be no distinction between Directors and Alternate Directors in terms of their duties and responsibilities. Alternate Directors shall also be subject to vetting by CBK, CMA and any other applicable regulatory body.
- 5.2 A person may be appointed as an Alternate Director to more than one Director on the board. However, he/she may only act as the alternate to two Directors at any one time. In case the alternate director is also a director in his own right, he/she can only act as alternate to one Director. This will ensure that no individual has more than two votes at a Board meeting. A substantive Director may appoint only one Alternate Director, however, Alternate Directors so appointed may not be appointed as members of the Board Audit & Risk Management Committee.
- 5.3 An Alternate Director shall be entitled to receive notices of all meetings of the Board and to attend and vote, subject to clause 5.2 above, as a Director at any such meeting at which the Director appointing him/her is not personally present; and to perform all functions of his/her appointer as a Director in his/her absence, including that of being counted as part of a quorum at any such meeting.
- 5.4 Every appointment and removal of an Alternate Director shall be effected by notice in writing to the Company under the hand of the Director making or revoking such appointment. An Alternate Director shall cease to be an Alternate Director if his/her appointer ceases, for any reason, to be a Director or where the appointer discharges his/her alternate from duty.

## 6. **Director Tenure**

- 6.1 The tenure of independent non-executive directors shall not exceed a cumulative term of 6 years (*with effect from 15th December 2023 when the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 became effective*). Upon completion of the 6 years, the Board member may continue to serve on the Board. Further the term of office of Board members shall be organized in a manner that ensures there is a smooth transition.
- 6.2 The Board has power under the Articles of Association to appoint a person to fill a casual vacancy or as an additional Director. Directors appointed to the Board in this manner will retire and may stand for election at the Annual General Meeting

(AGM) following their appointment. Non-Executive Directors should retire every 3 years at the relevant AGM in line with the requirements on retirement of Directors by rotation. The Board is responsible for identifying its members and recommending them for election by the shareholders, who are ultimately responsible for the appointment of Directors to the Board.

## 7. **Other Directorships**

- 7.1 No Director on the Company's Board may be a Director in more than 3 listed public entities at any given point of time. Additionally, the Chairperson of the Board may not hold such a position in more than 1 publicly listed company at any given point in time. To ensure compliance with this, on appointment and annually thereafter Directors shall confirm to the Company about the status of their compliance with this requirement.
- 7.2 Prior to accepting an additional appointment to the Board of an unlisted entity, a Director should consider whether the new directorship would present a conflict of interest. The Director is expected to inform the Chairman of the Board prior to accepting the position on another entity.

## 8. **Director Independence**

- 8.1 In determining the independence of Directors, the Board shall consider the provisions of the CMA Code of Corporate Governance. For this purpose, the following attributes constitute independence:
  - 8.1.1 Has not been employed by the Group in an executive capacity within the last five years;
  - 8.1.2 Is not associated with an adviser or consultant to the Group or a member of the Group's senior management or a significant customer or supplier of the Group or with a not-for-profit entity that receives significant contributions from the Group; or within the last five years, has not had any business relationship with the Group (other than service as a Director) for which the Group has been required to make disclosure;
  - 8.1.3 Has no personal service contract with the Group, or a member of the Group's senior management;
  - 8.1.4 Is not employed by a public listed company at which an executive officer of the Group serves as a Director;
  - 8.1.5 Is not a member of the immediate family of any person described above, or has not had any of the relationships described above with any affiliate of the Group;
  - 8.1.6 Is not a representative of a shareholder who has the ability to control or significantly influence management;
  - 8.1.7 Is free from any business or other relationship which could be seen to interfere materially with the individual's capacity to act in an independent manner;
  - 8.1.8 Does not have a direct or indirect interest in the Company which is either material to the Director or to the Company. A holding of five percent or more is considered material;
  - 8.1.9 Does not hold cross-directorships or significant links with other Directors through involvement in other companies or bodies external to the Group; whereby one Director serves as an Executive Director of company A and as a Non-Executive Director in company B and, at the same time, another Director serves as an Executive Director of company B and as a Non-Executive Director at company A, hence negating the independence of the two Directors in the Boards of both companies; and
  - 8.1.10 Has not served for more than six (6) years since they were first elected.
- 8.2 Each independent Director will notify the Chairman, as soon as practicable, of any event, situation or condition that may affect the Board's evaluation of his or her independence; and the Board shall determine who the independent members are on an annual basis.

## 9. **Director Induction & Continuous Skills Development**

- 9.1 The Board shall ensure that all new Directors are appropriately introduced to the business of the Company and the Group. All incoming Directors shall be provided with a complete information pack including relevant Company policies, its Articles of Association and this Charter. The induction will include meetings with Directors and senior management to assist the Director to understand how the Company works.
- 9.2 Additionally, the Board shall ensure competence up-skilling and continuous development programs are organized for its members in order to enhance governance practices within the Board itself and in the interest of the Company. To facilitate this, the Group Executive General Manager HR in conjunction with the Board Nomination, Remuneration and Governance Committee shall review each members' development needs in the last quarter of each financial year so as to schedule appropriate upskilling and continuous professional development programs. An annual summary of the programs undertaken per member shall be submitted and reviewed by the Board Nomination, Remuneration & Governance Committee each year.
- 9.3 The Board shall also receive regular briefings on matters relevant to the business of the Company, changes in laws and regulations including accounting policies and practices.

## 10. **Board Diversity**

- 10.1 The Board shall comprise of individuals with a balance of skills, diversity and expertise and who collectively possess the necessary qualifications commensurate with the size, complexity and risk profile of the Company. In this regard, the Board shall establish a Board Skills Matrix which will form part of the criteria for Board nominations.

## 11. **Board Meetings**

- 11.1 The Board will meet at least once every quarter, and otherwise as necessary, to deal with urgent matters. The Articles of Association govern the regulation of meetings and proceedings of the Board.
- 11.2 The Company Secretary, in consultation with the (i) Chairperson and (ii) Group Executive Director, shall establish the agenda for each Board meeting. The Company Secretary will ensure that notice of the Meeting, the agenda and adequate information on all relevant issues are provided to all Board members prior to the meeting.
- 11.3 Directors shall liaise with the Chairperson for including matters under the agenda that he/she deems relevant and necessary to be discussed at a Board meeting as and when required. Each Director shall also be free to raise at any Board meeting subjects that are not on the agenda for that meeting.
- 11.4 To enable appropriate review of the Board materials, Directors will be sent materials in advance of the Board meetings in either paper form or electronically. The content, presentation and delivery of papers to directors for each meeting will be in accordance with guidelines determined and agreed to by the Board.
- 11.5 Meetings may be held by telephone or videoconference, provided that participants can hear each other simultaneously and clearly.
- 11.6 Board meetings shall be presided by the Chairperson. In his/her absence, one of the other independent directors, designated by the majority vote of the Board members present at the meeting, shall preside over the meeting.
- 11.7 The quorum for Board meetings shall be guided by the Company's Articles of Association. The Chairperson of the Board may from time to time invite employees of the Group and advisors to attend Board or committee meetings whenever deemed appropriate.
- 11.8 Proceedings of all Board meetings shall be recorded in the Minutes which shall be

signed by the Chairman of the relevant meeting. Minutes shall be circulated to Directors and approved by the Board at its subsequent meeting.

## 12. **Board Committees**

- 12.1 The Board shall establish Board Committees to which it can delegate some of its duties. The committees will comprise a mix of independent, non-executive and executive directors. Management and external service providers, or other subject matter experts, may attend by invitation as circumstances necessitate. The Chairpersons and members of such Committees will be appointed by the Board. From time to time the Board may also establish ad hoc or special purpose committee/(s) to examine or have the delegated authority to deal with specific issues on behalf of the Board.
- 12.2 The Board Committees for the Group are:
  - a. Board Audit & Risk Management Committee;
  - b. Board Nominations, Remuneration & Governance Committee;
  - c. Board Strategy Steering Committee
  - d. Board Sustainability Committee
- 12.3 Specific responsibilities have been delegated to each Board Committee and each has its own terms of reference as approved by the Board.
- 12.4 All Board committees shall be chaired by an independent Non-executive director. The roles of Chairpersons of Committees shall, as far as practical, be well distributed amongst the directors so that no individual is burdened with too many committees.
- 12.5 Each of the Board Committees shall undertake an annual review of their objectives and activities. The objectives and activities of the committees shall also be reviewed by the Board and by any other parties that the Board deems appropriate.

## 13. **Independent Advice**

- 13.1 The Board and Board committees will be free to take independent professional advice as and when necessary and invite senior management of the entities in the Group to provide technical advice when needed.

## 14. **Board Evaluation**

- 14.1 At regular intervals, not exceeding twelve months, the Board of Directors shall undertake an evaluation of (i) its functioning as a collective body (ii) as individual directors, (iii) the Chairperson, (iv) functioning of each of the Board Committees, (vi) Group Executive Director or Regional CEO as applicable and (viii) the Company Secretary. with the aim of identifying their strengths, collective skills gaps, effectiveness, and individual areas of improvement.
- 14.2 The questionnaires shall consider the guidance provided in the CBK Prudential Guidelines. The parameters for evaluation of the Board as a collective body and as individual directors shall be reviewed regularly; where required the Board shall work with independent governance specialists to do so. The formats for such annual evaluations will be approved by the Board of Directors from time to time.

## 15. **Directors' Remuneration**

- 15.1 The Board shall ensure that Board Members are sufficiently remunerated to attract and retain good Directors while at the same time taking into consideration the viability, solvency and reputation of the Company and the prevailing market rates.
- 15.2 The Board will ensure that there is a Remuneration Policy approved by the Board and in which a relation between risk and income is stipulated.
- 15.3 Directors' remuneration will be paid in the form of:
  - a) Directors' Sitting Fees for attendance at Board and Board Committee and
  - b) Fixed annual fees structured to compensate directors for lending their name and goodwill to the Group's Board and for the role that directors are expected to

perform in terms of being the Group's brand ambassador, networking, introducing 3rd parties for possible transaction(s) with the Group and undertake to a certain extent, preliminary discussions with such third parties.

- 15.4 Directors' remuneration will be reviewed once every 2 years. The remuneration of the Directors will be debated and recommended by the Board to the Shareholders and will be subject to shareholder approval and/or ratification as the case may be. Remuneration paid to the Directors shall be disclosed in the annual report in accordance with the provisions of The Companies Act, 2015 of the Laws of Kenya and other laws, regulations and guidelines issued by the regulator/(s) from time to time.
- 15.5 Issues in relation to the remuneration of the Executive Directors and other Senior Management, as well as of the other Non-Executive and Independent Directors will be dealt with by the Board.

## **16. Directors & Officers Liability Insurance**

- 16.1 A Board Member shall not be liable for any act done in good faith in carrying out duties and responsibilities for the Group. In light of the various liabilities that may accrue against a Director for undertaking their responsibilities as articulated herein, the Group shall maintain Directors' and Officers' liability insurance as appropriate. Directors should ensure that they are fully aware of the terms of this insurance.

## **17. Conflict of Interest**

- 17.1 Board Members shall comply with the Group Conflict of Interests Policy. The Board expects its members, both individually and collectively, to act ethically and in a manner consistent with the values of the business. Each Director will as far as practically possible, minimize, if not avoid instances that may give rise to conflicts of interests or which may be perceived by others as conflicting situations. Full information on any conflict or potential conflict of interest, real or perceived, must be made known to the Board and fellow directors and the onus will be on the directors to advise the Board on any change in their situation.
- 17.2 Conflicts will be recorded in the Minutes to manage as far as possible the Directors duty to avoid conflicts. Directors are also required to complete and regularly update the conflicts register managed by the Company Secretary.
- 17.3 Where conflicts of interest do arise, Directors will excuse themselves from the relevant discussions and will not exercise their right to vote in respect of such matter. The concerned Director shall not participate in the discussions and/or decision making process on the transaction in relation to which conflict arises. The transaction may however be concluded and approved at market terms and conditions. Related party transactions will also be disclosed in accordance with disclosure requirements and accounting policies and standards.
- 17.4 The Chairman is available to all members of the Board to discuss possible, actual or perceived conflicts. If Directors have any doubts about whether a conflict or potential conflict may arise, they should consult the Chairman before engaging in the activity
- 17.5 The Board may, in exceptional circumstances, engage one or more directors to perform certain specific and elaborate roles in a given transaction. In such circumstances, the Board shall ensure that a formal agreement is drawn up outlining the specific roles and responsibilities of the director/(s) involved in the transaction and the attendant fees that would be payable. Further, the Board shall ensure that such fees are appropriately disclosed in the annual report for transparency.

## **18. Relationship between Board and Management**

- 18.1 The Company operates as a non-operating holding company. The Group's banking and advisory subsidiaries are governed by different statutory and regulatory

requirements across the region. As a non-operating holding company, the Board provides strategic direction to the Group's business and meets quarterly to review overall performance and progress on significant initiatives.

- 18.2 The Board has set up a Group Executive Office to lead and direct the implementation of business strategy, performance delivery and safe and compliant execution of I&M Group's banking and other business so as to deliver sustainable long term value for shareholders, including the establishment, execution and delivery of agreed strategic objectives approved by the Board.
- 18.3 The Group Executive Office is headed by the Group Executive Director (GED). He is ably supported by the Regional Director, Group Nominated Directors and other team members in the Group Executive Office. Communication between the Directors and the Management of the other entities in the Group will be through the Group Executive Office.
- 18.4 When Directors seek clarification regarding information provided to Directors or are seeking information about the Company and the Group generally, this will be sought from the Group Executive Director or from the Group Executive Office as appropriate. Any meetings or contacts that a Director wishes to initiate may be arranged through the Group Executive Director or Group Executive Office
- 18.5 The Board and the Management shall execute their mandate in an environment of mutual trust and respect having regard to the principles of good Corporate Governance. In this regard, the Board shall provide clear and distinct lines of responsibility and accountability and maintain effective channels of communication.

## 19. **Code of Conduct and Ethics**

- 19.1 Board Members shall have a duty to act ethically at all times, in accordance with this Charter and in line with their fiduciary duty to act honestly and in the best interests of the Group.
- 19.2 The Board shall therefore promote ethical conduct and sanction misconduct. Towards this end, the Board shall adopt a Code of Conduct and Ethics, Whistle Blowing and Conflict of Interest policies, and ensure that all Board Members subscribe to and abide by their provisions.
- 19.3 The Board shall ensure that the above mentioned policies disallow behaviour that could result in the Company engaging in any improper or illegal activities such as money laundering, fraud, bribery and/or corruption. The Board shall review the Code and policies as necessary.
- 19.4 The Board will put in place an Ethical Framework for the Group that provides a structured approach to the Group Board's oversight on ethics.

## **C. PART III - ROLES AND RESPONSIBILITIES**

### **1. Role of the Board**

- 1.1 The primary responsibility of the directors is to exercise their business judgement to act in what they believe to be the best interests of the Company and its shareholders. In discharging that obligation, directors shall be entitled to rely on the honesty and integrity of the information they receive from each entity in the Group and its outside advisors and auditors. It shall be the Board's responsibility to take appropriate steps to protect and enhance the value of the assets of the Company and the Group in the best interests of its shareholders. The Board shall ensure that at the heart of the organization there is a culture of honesty, integrity and excellent performance.
- 1.2 In furtherance of its responsibilities, the Board shall:
- 1.2.1 Ensure that appropriate systems and processes are in place so that the business of the Company and each of the companies in the Group are conducted in an ethical, responsible and safe manner;
  - 1.2.2 Oversee the overall conduct of the business and ensure that it is being properly managed;
  - 1.2.3 Ensure that effective audit, risk management and compliance systems are in place to protect the Company's assets and to minimize the possibility of the Company operating beyond legal requirements or beyond acceptable risk parameters;
  - 1.2.4 Be actively engaged in directing and approving the strategic planning of the Group and the implementation of the strategies;
  - 1.2.5 Analyze and review material acquisitions, divestments and capital expenditure;
  - 1.2.6 Set delegated financial authority levels for the appointed signatories to the Company's bank accounts;
  - 1.2.7 Review and approve the financial and dividend policies and the operating budget.
  - 1.2.8 Monitor financial performance and integrity of reporting at least on a quarterly basis;
  - 1.2.9 Establish a formal and transparent procedure for remuneration of directors, which should be approved by the Shareholders.
  - 1.2.10 Carry out annual evaluation of the Board, the Board Committees and individual Directors;
  - 1.2.11 Act in such a way that discussions in Board meetings promote focused debate within a supportive team atmosphere;
  - 1.2.12 Ensure effective and timely reporting to shareholders, by establishing a system that provides the necessary information to the shareholders including shareholder communication policy for the Company.
  - 1.2.13 Safeguard and enhance the image and reputation of the Company and the Group;
  - 1.2.14 Recognize the importance of shareholder attendance and participation at meetings of shareholders;
  - 1.2.15 Take into consideration the interests of the Company's stakeholders in its decision making process.
  - 1.2.16 Ensure the Company, each entity within the Group, and the Group itself, maintains adequate level of capital at all times with respect to the requirements of the Banking Act and the business operations;
  - 1.2.17 Ensure cognizance is taken of all applicable laws and guidelines, and systems to effectively monitor and control compliance; in particular, the adequacy and integrity of the Company's internal control, acquisition and divestitures and management information systems should be regularly reviewed.

- 1.2.18 Ensure corporate actions are compatible with societal objectives concerning social cohesion, individual welfare and equal opportunities for all;
- 1.2.19 Ensure the Board is informed about business conditions for effective supervision of the affairs of the Company and the Group as a whole;
- 1.2.20 Monitor the effectiveness of the corporate governance practices under which the Company operates and propose revisions as may be required from time to time.
- 1.2.21 Ensure that disclosures in the annual and /or integrated report as stipulated in applicable laws, regulation, guidelines issued by regulators and/or best practices are complied with.
- 1.2.22 Oversee the development execution and monitoring of the Group's sustainability action plan in alignment with the corporate strategy;
- 1.3 The Board shall put in place the necessary mechanisms to enable it effectively discharge its roles and responsibilities. To facilitate this, the Board shall develop an annual work plan and calendar of meetings for the year to guide its activities at the last Board meeting of each preceding financial year (generally held in October of each year).
- 1.4 In this regard and in order to be effective, the Board should demonstrate ethical leadership and promote the Group's collective vision, purpose, values, culture and behaviour.
- 1.5 With regard to Shareholder Relations, the Board shall endeavor to familiarize itself with issues of concern to shareholders, with appropriate disclosures to be made in the Annual Report. The Board will provide oversight of periodic reporting to shareholders on the direction, governance and performance of the Group.

**2. Role of the Chairperson**

The Chairperson shall be an independent, non-executive Director who does not hold the Chairperson position in more than one other public listed company. The Chairperson's roles and responsibilities have been set out under Appendix 1- Part A.

**3. Role of Individual Directors**

Roles and responsibilities of the Directors on the Company's Board have been set out under Appendix 1- Part B.

**4. Role of Group Executive Director**

Roles and responsibilities of the Group Executive Director have been set out under Appendix 1-Part C.

**5. Role of Company Secretary**

Roles and responsibilities of the Company Secretary have been set out under Appendix 1-Part D.

**6. Review of Charter**

The Board will review and assess the adequacy of this Charter every two (2) years or earlier as may be required to ensure it remains (i) consistent with the Board's objectives and responsibilities and (ii) relevant in case of changes in the operating environment.

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Version Control:

|                          |  |
|--------------------------|--|
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|   |                   |                  |                                 |
|---|-------------------|------------------|---------------------------------|
| <b>BOARD CHARTER APPROVAL:</b>            |                   |                  |                                 |
|   | <b>Name</b>       | <b>Signature</b> | <b>Date</b>                     |
| <b>CHAIRPERSON<br/>BOARD OF DIRECTORS</b> | MR. OLIVER FOWLER | SIGNED           | 20 <sup>TH</sup> SEPTEMBER 2024 |

*\*The original duly signed policy document remains available at our offices for reference.*

# **APPENDIX 1**

## **PART A: BOARD CHAIRPERSON**

1. Manage the Board firmly, objectively, and provide effective leadership in formulating strategic direction;
2. Foster a constructive governance culture and apply appropriate governance principles among directors and with management;
3. Make sure that the Board is well informed and effective and that the members, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and the Company / Group;
4. Ensure there are processes and procedures in place to evaluate the performance of the Board, its committees and individual directors;
5. Ensure effective communication with shareholders;
6. Oversee a formal succession plan for the Board, and Senior functionaries of each entity in the Group;
7. Participate in the selection of Board members to ensure that the Board has an appropriate mix of competencies, experience, skill and independence;
8. Arrange for new directors appointed to the Board to be properly inducted and oriented;
9. Ensure that each of the Board members receives competence up-skilling and attends a certain minimum amount of CPD programs each year.
10. Attend meetings of relevant Board committees;
11. Determine, in conjunction with the Group Executive Director and the Company Secretary, the formulation of an annual work plan for the Board against agreed objectives and goals;
12. Take a leading role in removing non-performing or unsuitable directors from the Board;
13. Ensure that all relevant information and facts are placed before the Board to enable the directors reach informed decisions.

## **PART B: INDIVIDUAL DIRECTORS**

1. To attend Board meetings regularly and to effectively participate in the conduct of the business of the Board.
2. To devote time to diligently carry out their responsibilities and duties to the Company and the Group;
3. Exercise utmost good faith, honesty and integrity in all their dealings with or on behalf of the Company and the Group and must act independently of any outside fetter or instruction;
4. Exercise both care and skill in looking after their own affairs as well as having regard to their actual knowledge and experience when performing their duties as a director of the Company;
5. Qualify themselves on a continuous basis with sufficient understanding of the Company's and Group's business and the effect of the economy to discharge their duties properly;
6. Always act in the best interest of the Company and Group;
7. Never permit a conflict of duties and interest and disclose potential conflicts of interest to the Board at the earliest possible opportunity;
8. Treat any confidential matters relating to the Company and Group, learned in their capacity as a director, as strictly confidential and not divulge them to anyone without the authority of the Board;
9. Insist that Board papers and other material information regarding the companies in the Group are provided in time for them to make informed decisions;

10. Ensure that procedures and systems are in place to act as checks and balances on information being received by the Board and ensure that the Company prepares annual budgets and regularly updated forecasts against which the Group's performance can be monitored by the Board;
11. Ensure that a proper risk assessment of the Company's and Group's current operations and proposed projects under a variety of relevant scenarios is undertaken on a regular basis.
12. Ensure that shareholders' rights are protected and promoted, including:
13. Ensure equitable terms of shareholders including minority and foreign shareholders;
14. Ensure that all shareholders receive relevant information on the Company's performance through the distribution of regular annual reports and accounts, half-yearly results and quarterly results, as a matter of best practice.
15. Shareholders shall receive a secure method of transfer and registration of ownership as well as a certificate or statement evidencing such ownership.
16. Every shareholder shall have a right to participate and vote at the general shareholders' meeting including the election of Directors. All shareholders should be encouraged to participate in the annual general meetings and to exercise their votes.
17. Every shareholder shall be entitled to ask questions / seek clarification and receive explanations from Directors on the Company's performance.
18. Every shareholder shall be entitled to distributed profit in form of dividend and other rights for bonus shares, scrip dividend or rights issue, as applicable and in the proportion of its shareholding in the Company.
19. The Board should maintain an effective communication policy that enables effective communication with its shareholders, stakeholders and the public at large, including encouraging use of the Company's website and organizing regular investor briefings in particular when half-yearly and annual results are declared.

### **PART C: GROUP EXECUTIVE DIRECTOR**

1. The Group Executive Director (GED) shall lead and direct the implementation of business strategy, performance delivery and safe and compliant execution of I&M Group PLC's (hereinafter referred to as "Group") banking and other business so as to deliver sustainable long term value for shareholders, including the establishment, execution and delivery of agreed strategic objectives approved by the Board of I&M Group Plc ("Board").
2. The GED shall take decisions in all matters affecting the operations, performance and strategy of the Group's businesses, with the exception of those matters reserved for the Board and/or Shareholders or specifically delegated by the Board to its committees, executive committees or the boards of subsidiaries. Specifically, the GED shall be responsible for the following matters:
  - 1.1 Ensure effective implementation of the Group's long term vision and strategy as outlined within the Group Strategy and the approved risk management framework. This would include, but not limited to, overseeing delivery of the Group's international expansion and ancillary financial & investment activities within the Group.
  - 1.2 Overall responsible to ensure that CEOs of each subsidiary are accountable for the financial performance and make timely changes in strategy, structure and resource allocations as deemed required.
  - 1.3 To ensure that the Board is adequately apprised about (i) the operations of each of the subsidiaries (ii) relevant areas impacting on the performance, growth and development of any of the subsidiaries and (iii) change in circumstances of any of the subsidiaries, their respective banking industry and/or operating environment.

3. Through and together with the, Group Nominated Directors and entity CEOs, ensure the
  - 3.1 design and implementation of the necessary management information systems for the Group to exercise adequate and effective control and management over each of the subsidiaries;
  - 3.2 integrity of all financial information and regulatory reporting emanating from each of the Banking subsidiaries;
  - 3.3 that there is ongoing assessment of capital requirements for each banking subsidiary and joint venture investment to confirm that it is not only in line with the approved Group strategy but such that the capital, funding and liquidity are at levels that would, in addition to meeting all regulatory requirements, remain sound in all reasonably foreseeable stress scenarios;
  - 3.4 maintain and keep fresh plans to address recovery from extreme and not reasonably foreseeable stress scenarios;
4. Through the Group Executive Office:
  - 4.1 ensuring there is active liaison and co-ordination between business units of various subsidiaries as may be required to ensure optimum utilization of the Group's resources so as to derive benefits from economies of scale; and
  - 4.2 identifying Group synergies and cross selling opportunities.
5. Building, protecting and enhancing the Group's brand value and visibility across the countries where the Group has presence;
6. Performance management of all direct reports and detailed succession planning for key and critical senior management positions within the Group
7. Ensure that the Group's policies and procedures are followed and conform to the highest standards
8. Maintaining top level relationships with the Group's regulators/Governments/investors-shareholders; and
9. Maintaining a close working relationship with the Principal Shareholders keeping them informed of key developments and opportunities, performance, risk and human resourcing concerns and seeking guidance and support as necessary.

#### **PART D: COMPANY SECRETARY & JOINT SECRETARY**

1. The Board shall ensure that the Company always has a qualified and competent Company Secretary who must have the requisite knowledge and experience necessary to undertake the statutory duties and responsibilities of the post and advise the Board. All Directors shall have access to the Company Secretary.
2. The Company Secretary shall be appointed by the Board and be empowered to efficiently and effectively execute his/her duties and responsibilities.
3. The Company Secretary and Joint Secretary shall be, at all times, of good professional standing with the Institute of Certified Secretaries of Kenya (ICS-K).
4. The principal duties of the Company Secretary & Joint Secretary will be to:
  - 4.1 Work with the Chairperson and Group Executive Director in preparing the agenda for Board meetings as well as Annual and Other General Meetings;
  - 4.2 Prepare a work plan setting out the activities planned for each financial year. The work plan will cover among others, the timings for regular Board and Committee meetings, the AGM and scheduled Director trainings;
  - 4.3 Ensure the timely preparation and circulation of the Board and Committee minutes, and other relevant papers;
  - 4.4 Provide a central source of guidance and advice to the Board on ethics and corporate governance matters;
  - 4.5 Provide the Board as a whole and Directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Company;

- 4.6 Facilitate induction training for new Directors and assist with Directors' professional development as required. This includes identifying and facilitating on-going Board professional development.
- 4.7 Under the direction of the Chairperson, ensure timely flow of information within the Board and its Committees and between Senior Management and Non-Executive Directors. This includes the timeliness of compilation and distribution of Board papers and minutes and communication of resolutions from Board meetings;
- 4.8 Assist the Chairperson in ensuring that regular assessments on the effectiveness of the Board and its Committees, as well as the contribution of individual Directors, are carried out;
- 4.9 Ensure that the Group complies with corporate governance matters under regulations having the force of law and maintain statutory books and registers in accordance with legal requirements;
- 4.10 Guide the Group in taking the initiative to not only disclose corporate governance matters required under the regulations having the force of law, but also those of material importance to the decision-making of institutional investors, shareholders, customers and other stakeholders;
- 4.11 Schedule meetings of the full Board and work with Committee Chairpersons to coordinate the schedule of meetings for Committees;
- 4.12 Ensure that the Company maintains a register of declared conflicts of interest;
- 4.13 Facilitate effective communication between the Bank and Shareholders;
- 4.14 Act as a liaison between the Board and Management;
- 4.15 File all statutory returns and maintain statutory registers as required under the Companies Act, 2015 or any other applicable law or regulation.

## **APPENDIX 2**

### **APPOINTMENT OF DIRECTORS**

1. The Board through the BNRGC (or Committee) shall vet, shortlist and recommend nominees for appointment to the Board. This Committee shall conduct interviews and provide the basis for recommending the successful nominees for appointment.
2. In selecting the pool of candidates, the BNRGC may opt to work with certified reputable consultants and bodies such as the Institute of Directors in identifying suitable candidates for the role.
3. BNRGC shall consider the nominees' credibility, reputation, integrity, skills and expertise to provide the required oversight.
4. In conducting the vetting, BNRGC shall be guided by the Group Code of Conduct, Group Corporate Governance Minimum Standards, Group Conflict of Interest Policy, and this Charter. The Committee shall also consider diversity, inclusion and the required skill mix.
5. The Board shall ensure that before any appointment is formalized, the relevant regulatory approval is procured.
6. Incoming or new Directors will receive formal letters of appointment setting out the main terms and conditions relative to their appointment.
7. Incoming or new Directors shall accept such appointment in writing. Prior to any appointment, the Directors shall declare any conflicts they may have.