



BOARD CHARTER



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CENTUM INVESTMENT COMPANY PLC

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BOARD CHARTER

1. Preamble

The board of directors (“the Board”) of Centum Investment Company Plc (Centum) is the core of Centum’s system of corporate governance and is ultimately accountable and responsible for the performance and affairs of the Company.

Good corporate governance is regarded as critical to the success of the business of the Company and the Board is unreservedly committed to applying the fundamental principles of good governance - transparency, integrity, accountability and responsibility - in all dealings by, in respect and on behalf of, the Company.

The Board accordingly embraces the principles of good governance as set out in the a number of governance frameworks including the Companies Act 2015, the Code of Corporate Governance Practices for Issuers of Securities to the Public, the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002, the Kings Code on Corporate Governance Report, and the Principles for Corporate Governance in Kenya issued by the Centre of Corporate Governance.

2. Objectives of the Charter

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

Whilst this Board Charter of necessity includes references to minimum acceptable standards of conduct, in pursuit of the ideals underlying this Board Charter it is critical that substance prevails over form.

3. The Role of the Board

3.1.1 Role and functions of the Board

The Board should specifically exercise leadership, enterprise, integrity and judgement in directing Centum so as to achieve continuing prosperity for the Company and its shareholders, and shall at all times act in the best interests of the Company in a manner based on transparency, integrity, accountability and responsibility.

The Board shall:

- retain full and effective control over Centum, and monitor management’s implementation of the strategic plans and financial objectives as defined by the Board;
- continually monitoring the exercise of delegated power by management;
- ensure that a comprehensive system of policies and procedures is in place and that appropriate governance structures exist to ensure the smooth, efficient and prudent stewardship of the Company;
- Ensure the company has an effective Environmental Social and Governance (ESG) strategy and monitor compliance and relevance of ESG Policies through the Risk Committee;
- ensure that the business of the Company is managed with a view to ensuring that the Company is ethical in all its dealing and acts in the best interest of a broader set of stakeholders to ensure sustainability of the business;

- ensure compliance by Centum with all relevant laws and regulations, audit and accounting principles, and such other principles as may be established by the Board from time to time;
- identify and review key risks including cyber, data privacy & protection and Intellectual property risks, opportunities and strengths relating to the Company;
- appoint the CEO, senior staff, external auditors and other consultants;
- discuss, agree and approve annual accounts and reports;
- communicate key policies and strategy issues to senior management;
- identify all stakeholders, including ensuring effective communication with shareholders and stakeholders.
- define levels of materiality, reserving specific powers to itself and delegating other matters, with the necessary written authority, to management;
- establish ad- hoc committees should a need arise;
- ensure compliance by Centum by ensuring Management coordinates an annual governance audit and a legal and compliance audit after every two (2) years; and
- ensure that the external auditors have a right to meet the Board without members of Management present.

3.1.2 Matters Reserved for the Board

The following matters are specifically reserved for the Board:

- define and chart out Centum's vision, mission and values. The Board has ultimate responsibility for the attainment of Company's values;
- determine the business strategies and plans that underpin the corporate strategy;
- discuss and approve strategic plans and annual budgets;
- approve the Company's risk appetite and maintain the desired risk profile;
- ensure that the Company's organisational structure and capability are appropriate for implementing the chosen strategies;
- determine monitoring criteria to be used by the Board;
- set policies on internal control and obtaining regular assurance that the system is functioning effectively and is effective in managing risks;
- the Board has responsibility for the nomination of Board members who will add value to the Board processes and their induction;
- Ensure proper succession planning for senior Management.
- The Board based on the recommendations of the Nominations and Governance Committee should regularly review adequacy, efficiency and

effectiveness of the Committee structure, including the number and nature of Committees, their membership and nature of Committees, their membership and Committee Charters.

- Remuneration and compensation of the Company's Managing Director.
- Single sourcing for amounts above Kenya Shillings fifteen million (KES 15,000,000).
- Hiring, firing and evaluation of the Executive Director of the Company and other members of Senior Management.

3.1.3 Board meetings

♦ Frequency

The Board shall develop and maintain reporting and meeting procedures for itself and its committees. Regular Board meetings will be held approximately four times a year and special meetings as necessary. Board meetings shall take place at the Company's offices unless otherwise decided by the Board. A schedule of the meetings will be provided to the directors in the annual Board Work Plan.

The Board may form committees of its members and may delegate any of its powers to any such committee. The frequency of the committee meetings will be determined by the individual committee, as stated in the terms of reference for each committee.

♦ Notification of Meetings and Agenda Items

The Board has sole authority over its agenda and exercises this through the Chairperson. Any member may, through the Chairperson, request the addition of an item to the agenda. The Chairperson in consultation with the Managing Director and the Company Secretary will set the agenda.

The Company Secretary shall be responsible for issuing proper notices of meetings, preparation of agenda and circulation of relevant papers. Such notification will be sent at least seven days in advance. Directors and committee members should review these materials in advance of the meetings.

♦ Attendance at Meetings

The quorum necessary for the transaction of the business of the Board shall be (5) five directors present either personally or by alternate present throughout the meeting.

♦ Minutes

The Company Secretary will be responsible for keeping minutes, which provide an accurate record of the names of all persons present, resolutions and proceedings of all Board and Committee meetings. The minutes of the meetings will be considered at the next meeting, approved and signed by the Chairperson of the meeting.

♦ Virtual Meetings

- Any or all directors may participate in a meeting of the board of directors, or a committee of the board, by means of a telephone or video conference or by any means of communication by which all

persons participating in the meeting are able to communicate with one another, and such participation shall constitute presence at the meeting.

3.1.4 Board Committees

The Board has established the following four committees: Nomination and Governance Committee, Audit Committee, Risk Committee, and Finance and Investment Committee whose mandates and terms of reference are spelt out in the respective committee charters.

3.1.5 Conflicts of Interest

The directors of Centum are under a fiduciary duty to act honestly and in the best interests of the Company. Directors should avoid putting themselves in positions where their self interests conflict with their duty to act in the best interests of the Company.

It is the Company's policy that directors, their immediate families and companies where directors have interests must not transact business with Centum without express approval from the Board. Any business transacted with Centum must be at arm's length; such business interests must be fully disclosed to the Board; and such business interests must be considered and approved by the Board through an annual declaration.

A register shall be maintained to provide a formal record of interests that directors and management have with the Company.

All directors shall be required to sign an annual declaration on possible or actual conflicts of interest as follows:

- That the director did not have any personal or business interest in any matters that came up for discussion before the Board; or did not exert any undue influence on the officers of the Company to determine any matter under their consideration;
- that in the event a director did have an interest in any matter that came for discussion before the Board, such interest was declared as per the provisions of the Charter;
- that a director has not benefited in any way because of being a director except in the normal course of business.

The purpose of such a declaration is to serve as an annual reminder to the directors of the Company, their duty to conduct their affairs with the Company at arm's length and to avoid situations in which their interests may conflict with those of the Company.

The following options may be considered in resolving conflicts of interest:

♦ ***Disclosing the conflict and refraining from voting.***

A director should disclose the nature and extent of a conflict and refrain from voting on a matter involving the conflict. This disclosure should be recorded in writing in the minutes of the Board of Directors and in the conflict of interest register;

♦ ***Refraining from Discussion***

If a conflict is of a minor nature, it may be sufficient for a director who has disclosed his or her interest to remain at the Board meeting and to simply refrain from discussing the matter;

♦ **Exclusion**

If a conflict is more substantial, the Board may consider excluding a director from those portions of Board meetings where the matter will be discussed.

3.1.4.1 "Independent Director" means a director who is a person who:

- ~~• has not been employed by the Company or its Related Parties in the past three years;~~
- ~~• is not, and is not affiliated with a Company that is an advisor or consultant to the Company or its Related Parties;~~
- ~~• is not affiliated with a significant customer or supplier of the Company or its Related Parties;~~
- ~~• has no personal service contracts with the Company, its Related Parties, or its senior management;~~
- ~~• is not affiliated with a non-profit organization that receives significant funding from the Company or its Related Parties;~~
- ~~• is not employed as an executive of another Company where any of the Company's executives serve on that Company's Board of directors;~~
- ~~• is not a member of the immediate family of an individual who is, or has been during the past five years, employed by the Company or its Related Parties as an executive officer;~~
- ~~• is not, nor in the past three years has been, affiliated with or employed by a present or former auditor of the Company or of a Related Party;~~
- ~~• does not hold cross-directorships or significant links with other directors through involvement in other companies or bodies;~~
- ~~• 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;~~
- ~~• does not have a direct or indirect interest in the company (including any parent or subsidiary in a consolidated group with the company) which is either material to the director or to the company. A holding of five percent or more is considered material.~~
- ~~• is not a representative of a shareholder who has the ability to control or significantly influence management or member of a group of individuals and/or entities that collectively exercise effective control over the Company or such person's brother, sister, parent, grandparent, child, cousin, aunt, uncle, nephew or niece or a spouse, widow, in-law, heir, legatee and successor of any of the foregoing (or any trust or similar arrangement of which any such persons or a combination thereof are the sole beneficiaries) or the executor, administrator or personal representative of any Person described in this subparagraph who is deceased or legally incompetent,~~

~~and for the purposes of this definition, a person shall be deemed to be "affiliated" with a party if such person (i) has a direct or indirect ownership interest in; or (ii) is employed by such party; "Related Party" shall mean, with respect to the Company, any person or entity that controls, is controlled by or is under common control with the Company.~~

~~An independent director loses such independence after associating with the Company as such for more than 9 years, whether consecutively or intermittently.~~

An independent director loses such independence after associating with the Company as such for more than 6 years, whether consecutively or intermittently.

3.1.6 Decision Making

Board discussions will be open and constructive, recognizing that genuinely held differences of opinion could, in such circumstances, bring greater clarity and lead to better decisions. Each Director commits to express their views clearly and to use all means at their disposal to convince the Board of the validity of their position should they hold the view that a proposed Board decision is not in the best interests of Centum.

The Chairperson will where extremely necessary seek a consensus in the Board failing which he will call for a vote.

The Company Secretary shall keep a register of all decisions that are voted upon by the Directors and of the vote of the respective Directors. The Board may then decide to inform the shareholders of how they voted on the issues that were brought before them.

3.1.7 Confidentiality

Information concerning the Company, which is communicated to directors in confidence in connection with their functions is provided *intuitu 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 representatives of legal entities, which are directors.

3.1.8 Code of Ethics

The Company shall establish a code of ethics and business standards that will act as a guide to both the members of the Board of directors and management in their conduct when dealing with matters related or unrelated to Company business. The code of ethics and business standards will be based on the following principles:

3.1.7.1 Integrity

Directors and employees shall place the integrity of the investment profession and the rules governing the Company and the capital markets above their own personal interests and shall conduct themselves in a way that protects the Company's reputation.

3.1.7.2 Diligence

Directors and employees shall use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions and engaging in other professional activities.

3.1.7.3 Responsibility

Directors and employees shall exercise due care in observing all laws applicable in the countries in which the Company operates, deal fairly with all parties and promote the good of the society and environment.

3.1.9 Directors' Remuneration

The Nomination and Governance Committee (NGC) shall be responsible for reviewing non-executive directors' remuneration and recommending the necessary changes from time to time. Directors' remuneration shall be presented for approval at the Annual General Meeting.

The NGC will also be responsible for reviewing the terms and conditions of service of executive directors. The levels of remuneration should be sufficient to attract, retain and motivate directors of the quality required to run the Company successfully. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

In determining the compensation for non-executive directors, the NGC shall consider the following:

- The level of fees currently earned by directors in their professional capacity;
- the number of hours spent by directors preparing for and attending meetings, as well as travel to meeting venues;
- current market rates applicable to organizations of similar size and in the same industry;
- the complexity of the Company's operations and the extent to which directors have to incur additional cost in research on industry developments, etc;
- the number of meetings in a year.

No director should be involved in fixing their own remuneration.

3.1.10 Directors' Orientation and Training

Newly appointed directors will receive a comprehensive, formal and tailored two day induction programme to ensure effective contribution to the Board in the early days of their appointment. The induction will cover the nature of the Company's business, structure, key strategies and Board practices and procedures, as well as training on the role, duties, and responsibilities of directors.

All directors will also receive continuing training to extend and refresh their knowledge and skills, which will add to their credibility and effectiveness in the discharge of their responsibilities. The Company shall provide the necessary resources for implementing these training programmes.

3.1.11 Performance Evaluation

The Board shall have in place a process for self-evaluation of its performance including the Committees. An annual evaluation will be carried out on the Board's own performance, performance of the Chairperson, individual directors and that of its committees.

The self-evaluation process should address as a minimum, the following key areas:

3.1.12 Shareholders' and stakeholders' expectations

- Has the Board clearly defined the Company's stakeholders to which it is accountable and responsible?
- Is there full and accurate reporting on Company affairs to the shareholders?
- Do Company goals and strategic direction reflect shareholder expectations?

3.1.13 Legal responsibilities

- Does the Board have effective procedures in place to ensure that the organisation is meeting its legal responsibilities?

3.1.14 Management of Board and Committee meetings

- regularity of attendance at Board meetings;
- active participation and discussion in decision-making;
- sound business judgement;
- are key members of management invited to Board and committee meeting so that they can participate and add valuable contributions?

3.1.15 The Direction and Performance of the Company

- How satisfactory is the Board's monitoring of the Company?
- Are important issues identified in a timely manner and appropriately addressed?
- Is an effective risk management process in place? Are risks identified and steps taken to manage them?
- Is an impact assessment relating to key decisions made carried out?

3.1.16 Individual Board Member contributions

- Is the Chairperson discharging his / her responsibilities effectively?
- Is there adequate recognition and effective use of individual Board members' particular skills?

The results of the self-assessment should be used to determine the strengths and weaknesses of the Board and where appropriate, new members should be appointed to the Board, or resignations sought as may be necessary. The results of the self assessment should also be used to identify any training needs or any changes required to the composition of the Board.

4. Board Structure

4.1.1 Size of the Board

In accordance with the Company's Articles of Association, the Board shall comprise of not more than eleven Directors.

4.1.2 Board Composition

The Board shall include a fair balance between executive and non-executive directors so that no individual or Company of individuals / interests will dominate the Board's decision making process.

The independent, non-executive directors shall comprise at least one third of the Board.

The following issues should be considered in determining the composition of the Board:

- attaining a desirable ratio of and balance between the number of executive and non-executive directors;
- the non-executive directors should consist at least independent directors who form one third of the Board as defined in 3.1.4.1;
- ensuring that the Board collectively contains the skills, experience and mix of personalities appropriate to the strategic direction of the Company and necessary to secure its sound performance;
- experience, knowledge, skills and personal attributes of current and prospective directors in relation to the needs of the Board as a whole;
- Diversity in terms of academic qualifications, technical expertise, relevant industry knowledge, experience, nationality, age, race and gender;
- succession planning;

4.1.3 "Independent Director" means a director who is a person who:

- has not been employed by the Company or its Related Parties in the past three years;
- is not, and is not affiliated with a Company that is an advisor or consultant to the Company or its Related Parties;
- is not affiliated with a significant customer or supplier of the Company or its Related Parties;
- has no personal service contracts with the Company, its Related

- Parties, or its senior management;
- is not affiliated with a non-profit organization that receives significant funding from the Company or its Related Parties;
- is not employed as an executive of another Company where any of the Company's executives serve on that Company's Board of directors;
- is not a member of the immediate family of an individual who is, or has been during the past five years, employed by the Company or its Related Parties as an executive officer;
- is not, nor in the past three years has been, affiliated with or employed by a present or former auditor of the Company or of a Related Party;
- does not hold cross-directorships or significant links with other directors through involvement in other companies or bodies;
- 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;
- does not have a direct or indirect interest in the company (including any parent or subsidiary in a consolidated group with the company) which is either material to the director or to the company.
- is not a representative of a shareholder who has the ability to control or significantly influence management or member of a group of individuals and/or entities that collectively exercise effective control over the Company or such person's brother, sister, parent, grandparent, child, cousin, aunt, uncle, nephew or niece or a spouse, widow, in-law, heir, legatee and successor of any of the foregoing (or any trust or similar arrangement of which any such persons or a combination thereof are the sole beneficiaries) or the executor, administrator or personal representative of any Person described in this subparagraph who is deceased or legally incompetent,

and for the purposes of this definition, a person shall be deemed to be "affiliated" with a party if such person (i) has a direct or indirect ownership interest in; or (ii) is employed by such party; "Related Party" shall mean, with respect to the Company, any person or entity that controls, is controlled by or is under common control with the Company.

~~An independent director loses such independence after associating with the Company as such for more than 9 years, whether consecutively or intermittently.~~

An independent director loses such independence after associating with the Company as such for more than 6 years, whether consecutively or intermittently.

4.1.4 Chairperson and Managing Director

There should be a clear division of responsibilities between the running of the Board and the running of the Company's business. The Chairperson's primary role is to direct the Board's business and act as its facilitator and guide, ensuring that the Board is effective in its tasks of setting and implementing the Company's direction and strategy.

The specific responsibilities of the Chairperson include:

- providing leadership to the Board;
- chairing Board meetings, which involves determining the agenda and ensuring that the directors receive accurate, timely and clear information, and ensuring that the Board has an effective decision making framework;
- keeping track of the contribution of individual directors and ensuring visible participation;
- facilitating effective Board management (engaging the Board in assessing and improving its performance and overseeing the induction and development of directors);
- monitoring the activities of Board Committees.

The Board shall appoint the Chairperson and an appropriate framework should be in place to ensure that no one Company or individual has undue influence over the Chairperson's appointment.

The Board shall appoint the Managing Director and set the terms and conditions of his/her employment contract.

The Board shall have a clear succession plan for its Chairperson and Managing Director in order to avoid unplanned and sudden departures, which could undermine the Company's and shareholders interests.

The Managing Director should be responsible for implementing the Board corporate decision and there should be 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.

4.1.4 (a) Vice Chairperson of the Board

The Board shall on recommendation from the Nomination and Governance Committee appoint a Vice- Chairperson to assist the Chairperson in the execution of their duties.

The Responsibilities of the Vice- Chairperson shall be:

- ✓ Fulfilling the responsibilities of the Chair at meetings when the Chair is unavailable.
- ✓ Support the Committee Chair in communicating regularly with members to ensure that the Board is meeting its objectives.
- ✓ Working closely with the Chair, acting as a sounding board and providing support
- ✓ Acting as an intermediary for other directors as and when necessary
- ✓ Being available to shareholders and other non-executives to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication (i.e. through the Chair, the chief executive or finance director)
- ✓ Meeting at least annually with the non-executives to review the Chair's performance and carrying out succession planning for the Chair's role.
- ✓ Attending sufficient meetings with major shareholders to obtain a balanced understanding of their issues and concerns.
- ✓ To relay to the non-executives their observations and any views they may have received from major shareholders.
- ✓ Act as a conduit for regulators into the Board as and when required.
- ✓ Plays a leading role in the planning for the succession of the Chairman and the appointment of the Chairman of the Nomination & Governance Committee.
- ✓ Ensuring that at least half the Board remains independent.
- ✓ In consultation with the Chairman, delegate some of the above roles to other independent non-executive directors as appropriate.
- ✓ Any other responsibilities accorded to the role as directed by the Board from time to time.

- The Nomination and Governance Committee, shall in accordance with its terms of reference, ensure that the term of office of the members of the Board end at different times. The Committee shall ensure that the Board appoints and the members of the Company shall elect members of the Board at different times so that the respective expiry dates of the members' terms of office fall at different times.
- Where possible, no more than one third of the Board members shall retire at the same time
- This ensures retention of institutional memory, smooth transition and makes it easier to induct new Board members.

The Nomination and Governance Committee of the Board shall, in line with its terms of reference, from time to time review the general composition of the board and make appropriate recommendations on the appointment of new executive or non-executive directors.

Irrespective of a director's special expertise or knowledge and regardless of whether a director is an executive or non-executive director, all members of the Board recognise that they are collectively responsible to shareholders for the performance of the Company.

The termination of an employment contract of an executive director will result *ipso facto* in the termination of his membership of the Board, unless the Board determines otherwise.

4.1.5 Appointments to the Board

There will be a formal and transparent process for all appointments to the Board. The Board shall be directly involved in the sourcing and appointment of new directors and appointments should be based on merit and against objective criteria. Criteria that should be considered in the selection process include:

- Integrity and standing in society
- Financial literacy
- History of high standards of performance
- Ability to exercise sound business judgement
- Communication skills
- Effective management skills
- Crisis management skills
- Leadership qualities
- Technical (industry specific) skills
- Commitment to the Company
- Disclosure of conflict of interest

On an annual basis, the Board will review and assess the composition and performance of the Board to ensure that:

- The mix of membership is appropriate and compatible with the requirements of both the Board and the Company;
- Non-executive directors commit adequate time and contribute effectively to the Board.
- Diversity is maintained in Board composition.

The Board shall have a plan for continuing leadership development / succession planning. The plan should address leadership identification and development.

4.1.5 The process and Procedure of Board Appointments

Board appointment procedures shall be transparent and clearly documented and approved by the Board before they can be used. The procedures should be formal and a matter for the Board as a whole, assisted by the Nomination and Governance committee, and subject to shareholder approval where necessary.

The procedure shall be as set out below:

- The Nomination and Governance Committee (the “Committee”) shall invite applications, by itself or through an appropriately qualified third-party, from qualified persons who are capable of adding value and bringing independent judgment to bear in the decision-making process.
- The invitation should target as many applicants as would enable the Committee to identify candidates with the necessary skills.
- All persons offering themselves for appointment as Board members shall disclose any potential areas of conflict that may undermine their position or service as director.
- The Committee shall screen the list of applicants and pick the most suitable applicants taking into account the criteria set out in clause 4.1.4 above. The number of applicants picked shall be at least two more than the required number.
- The Committee shall assess the qualities of the selected persons and recommend those who it deems most qualified for approval by the Board.
- The Committee shall present the results of the of the assessment to the Board with scores pegged against the criteria set out in clause 4.1.4 above.
- The Committee shall then propose the new nominees, being the person(s) who scored the highest marks, for appointment to the Board by the Board or shareholders as the case may be.
- The nominees shall be deemed appointed or elected when a majority of the directors or shareholders, as the case may be, vote appointing the nominee(s).
- The Board shall issue the new members with formal letters of appointment setting out the main terms and conditions relative to their appointment.
- The Board shall ensure that the new members are inducted into Centum as set out in clause 3.1.9 above and in accordance with the Board Induction Policy.

Subject to Board approval, a director is permitted to appoint an Alternate to represent them at Board meetings. Alternates shall possess the same rights and be subject to the same restrictions as Directors. Although the Alternate is nominated by the substantive Director, they will undergo vetting by the Board Nominations and Remuneration Committee.

The Board shall ensure that at a general meeting of Centum a motion for the appointment of two or more persons as directors of Centum by a single resolution is moved only if a resolution that it should be so moved has first been agreed to by the meeting without any vote being cast against it.

Shareholders are ultimately responsible for appointments to the Board and it is in their best interest to ensure that the Board is properly constituted. Information relating to those nominated for Board positions should be availed to shareholders in advance of any decision making. As the information is disseminated, the Company should ensure the use of a wide variety of communication channels so as to cater for shareholders diverse media consumption habits.

To the extent that the duty is vested in general meetings, the shareholders should ensure that only credible persons who can add value to the Company’s business are elected to the Board of directors.

4.1.6. Conflict of Interest

Disclosure of Conflict of Interest

Directors are individually responsible to make a full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with their duties to the Company.

Upon appointment to the Board and thereafter, where circumstances so demand, directors shall declare any real or perceived conflict of interest with the Company. If a director of the Company is, in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, or in a transaction or arrangement that the Company has already entered into, the director shall declare the nature, and extent of that interest to the other directors and members of the Company in writing by hand, post or electronic means as may be agreed by the other directors and shareholders.

If a proposed transaction or arrangement with the Company, or a transaction or arrangement that the Company has already entered into, is for an amount, or for goods or services valued at an amount, that exceeds ten percent of the value of the assets of the Company, the director shall make the declaration to the members of the Company either at a general meeting or by notice given by hand, post or electronic means as may be agreed by the shareholders.

The above declaration shall be effective when the valuation of the goods or services and the valuation of the assets of the Company are certified by the Company's auditors as being the true market value of those goods or services and those assets.

Effect of existence of conflict of interest

Directors shall not take part in any discussions or decision-making regarding any subject or transactions in which they have a conflict of interest.

Conflict of interest register

The Company shall maintain a register of declared conflict of interest.

Avoiding conflict of interest

Directors have a duty avoid a situation in which they have, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the Company in relation to the exploitation of any property, information or opportunity, and it does not matter whether the Company could take advantage of the property, information or opportunity.

A director shall not accept a benefit from a third party if the benefit is attributable to the fact that he/she is a director of the Company or to his/her act or omission as a director.

Situations in which a director may transact with the Company or do such other act as may be a potential area of conflict of interest

Directors shall transact with the Company at arm's length and only if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest or if the matter has been authorised by the other directors. However, directors shall refrain from trading with the Company if the Company would be commercially disadvantaged by the transaction, or if its reputation would suffer as a result of the transaction.

If a director has been authorised to transact with the Company or do such other act as may be a potential area of conflict of interest, regard must be had to the Company's Articles of Association to determine if the directors are allowed to authorise such transaction under the Company's constitution and the affected director shall not be considered for purposes of determining the requisite quorum.

Investment transactions for the Company take priority over investment transactions in which a director is the beneficial owner, so that personal transactions do not adversely affect the Company.

4.1.7 Duties of Directors

In discharging their role, directors of Centum must satisfy the following primary requirements. A director must always act:

- in good faith, and in a professional manner, having due regard to his fiduciary duties and responsibilities to the Company;
- independently, in what he personally believes to be the best interests of the Company as a whole;
- with the degree of care, diligence and skill that may reasonably be expected from a person of his knowledge and experience;
- Act intra vires, i.e. within the scope of their authority as prescribed by the memorandum and articles of association of the Company; and as a member of the board.

In performing their duties, directors of the Company shall exercise the same care, skill and diligence that would be exercisable by a reasonably diligent person with the general knowledge, skill and experience that may reasonably be expected of a person carrying out the functions performed by the director in relation to the Company; and the general knowledge, skill and experience that the director has.

4.1.8 Rights of Directors

The following shall be the rights of Directors of the Company:

- Access to timely information on the Company.
- Proposing Agenda items for discussion at Company Board meetings.

4.1.8.a) Rights of shareholders

The Board will actively protect and enable shareholder rights.

The Board will ensure access to comprehensive company information through diverse communication, guarantee equitable treatment for all, and provide robust protection for minority shareholders against undue influence, including effective avenues for resolving grievances. These rights are as defined in appendix I.

4.1.9 The Company Secretary

The Board shall appoint a Company Secretary to assist and advice the Board and all Board Members.

The Company Secretary is the Secretary of the Board and is charge with the following responsibilities:

- a) to provide guidance to the Board on its duties and responsibilities and on other matters of governance;
- b) to ensure that the Board complies with its obligations under the law and the Company articles of association;
- c) to assist the Chairperson of the Board in organizing the Boards activities;
- d) to assist the Board with evaluation exercise;
- e) to coordinate the governance audit process;
- f) to maintain and update the register of conflict of interest;
- g) to facilitate effective communication between the organization and the shareholders; and
- h) to carry out any other duties as may be assigned by the Board from time to time.

4.1.10 Continuous Board Development

Continuous Board member's development shall be undertaken in order to enhance governance practices within the Board and in the interest of the Company.

Each Board member shall attend a minimum of twelve (12) hours of Board development per year by a reputable source on areas of governance.

4.1.11 Term Limits

All Directors (including the Chairperson) will be appointed for an initial term of three (3) years which will be subject to renewal on satisfactory performance and at the Board's discretion.

The term renewal shall also be subject to re-election by the Company's members at the Annual General Meeting.

Directors shall have no right to re-nomination by the board, either annually or after any three-year period.

4.1.12 Limitation on Directorships

- All Directors of the Company (except Corporate Directors) shall not hold such positions in more than three public listed companies at any one time.
- Where an alternate director has been appointed, the appointment of such alternate director shall be restricted to two public listed companies at any one time.
- An executive director of the Company shall be restricted to one other directorship of another listed Company.
- The Chairperson of the Company shall not hold such position in more than one listed company at any one time.

4.1.13 Removal of Directors

The office of director may be vacated by statute, death, or under the provisions of the Articles of Association of the Company as follows:

- upon reaching a specified age limit that will be set by the Board from time to time;
- upon bankruptcy;
- upon resignation;
- failure to attend (without reasonable cause and without the consent of the Board) three consecutive Board meetings;
- sufferance from mental disorder.

4.1.14 Independent Professional Advice

The Board shall approve a procedure in terms of which any director may take independent professional advice, at the expense of the Company, where there is doubt as to whether a proposed course of action is consistent with his fiduciary duties and responsibilities. The procedure is outlined in Appendix II.

5. Accountability and Audit

5.1.1 Financial Reporting

The Board of Directors 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 that the Company complies with applicable accounting standards and regulatory frameworks.

The Board shall present to the shareholders, annually, a balanced and understandable assessment of the Company's financial position and prospects. The directors should

explain in the annual report their responsibility for preparing the accounts and there should be a statement by the auditors about their reporting responsibilities.

The directors shall report whether the business is a going concern with supporting assumptions or qualifications as necessary.

5.1.2 Internal Control

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

5.1.3 Corporate Governance Disclosure

The Board ensures the disclosure of material information to shareholders and relevant government authorities through its Annual Report and financial statements, adhering to prevailing laws and regulations. Such disclosures are made in a timely, accurate, understandable, and objective manner.

The Company is committed to transparency, disclosing not only legally mandated information but also material information relevant to stakeholders. Financial and non-financial details are provided in the Annual Report. The Company ensures all shareholders receive complete and accurate information, except when justified, and guarantees fair access to information for all.

The Company Secretary is responsible for ensuring the Company's compliance with all applicable disclosure regulations.

6. Board Work Plan

The Centum Board shall 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 meetings, and the AGM, special projects and principal areas of focus.

Each year's work plan shall be presented to and approved by the Board before commencement of the relevant year or failing that, within the first two months of the relevant year.

7. Process of Review of the Board Charter

The Board shall review this Board charter as and when necessary to ensure it remains relevant to the business objectives of Centum. The Company Secretary shall initiate the review process in consultation with the Chairperson of the Board.

Adopted by the Board

Date: _____

Chairman: _____

Appendix I: Shareholder Rights and Engagement Policy

The Board acknowledges the rights of shareholders, and is committed to recognizing, protecting, and facilitating the effective exercise of the rights of all shareholders, particularly minority shareholders, in accordance with the Companies Act, 2015, and the CMA Code of Corporate Governance.

1. Fundamental Statutory Rights (As per the Companies Act, 2015)

The Board shall uphold and facilitate the exercise of the following rights by shareholders:

<u>Right</u>	<u>Description and Board Obligation</u>
<u>Right to Requisition Meetings</u>	<u>Shareholders have the right to requisition a General Meeting. The Board must process the requisition promptly and ensure the meeting is convened within the prescribed legal timelines.</u>
<u>Right to Introduce Resolutions</u>	<u>Shareholders with the requisite minimum threshold have the right to introduce items for the agenda and circulate proposed resolutions for the Annual General Meeting (AGM).</u>
<u>Right to Information</u>	<u>The Board shall ensure that all shareholders receive timely and comprehensive statutory information, including notices of general meetings, annual reports, audited financial statements, and copies of all adopted resolutions.</u>
<u>Right to Vote</u>	<u>Every share shall carry one vote. The Board shall ensure voting procedures, including the use of proxies and electronic voting (where applicable), are fair and transparent, enabling all shareholders to participate effectively.</u>
<u>Right to Seek Judicial Redress</u>	<u>The Board acknowledges the right of minority shareholders to seek relief as provided in the Companies Act, 2015.</u>

2. Policy on Equitable Treatment and Communication

The Board's commitment to good governance necessitates fair and equitable treatment for every shareholder.

<u>Equitable Treatment and Redress</u>	<u>The Board shall ensure that all shareholders, including minority and foreign shareholders, are treated in an equitable manner. The Board shall provide effective channels and mechanisms for redress to any minority shareholder who is unsatisfied with any actions taken by the controlling shareholders or management.</u>
<u>Accessibility and Participation</u>	<u>The Board shall leverage modern technology (e.g., teleconferencing, webcasting) to facilitate the participation of shareholders who are unable to physically attend General Meetings, thereby increasing the voice of dispersed minority shareholders.</u>
<u>Transparent General Meetings</u>	<u>The Chairman of the Board shall ensure that adequate time is allocated during the AGM for shareholder questions, including those submitted in advance, and that questions from both majority and minority shareholders are addressed fairly and comprehensively.</u>
<u>Protection in Corporate Actions</u>	<u>In the event of major transactions (e.g., mergers, acquisitions, or disposal of significant assets), the Board will ensure full disclosure and that the terms of the transaction do not unfairly prejudice the economic interests of the minority shareholders.</u>

3. Role of Independent Directors in Protecting Minority Interests

The primary internal safeguard for minority interests resides with the Independent Non-Executive Directors (INEDs).

<u>Oversight of Related Party Transactions (RPTs)</u>	<u>The Board shall delegate the review and recommendation of all material Related Party Transactions to the Audit Committee, which is composed primarily of INEDs. This ensures independent, arm's length evaluation of transactions that could otherwise favour majority interests.</u>
<u>Upholding Fiduciary Duties</u>	<u>All Directors, particularly INEDs, are expected to act honestly, in good faith, and in the best interest of the company as a whole, which includes explicitly considering the impact of decisions on minority shareholders.</u>
<u>Challenging Board Decisions</u>	<u>INEDs are encouraged, and have the right, to express dissenting opinions and request that these be recorded in the minutes, providing a formal check against decisions that may be perceived as detrimental to minority interests.</u>

Appendix II: Procedures for accessing professional advice

General Principles:

- **Independent Judgment:** Board members are encouraged to exercise independent judgment and seek professional advice when necessary to fulfill their fiduciary duties.
- **Company's Best Interests:** All advice sought should be in the best interests of the company and its shareholders.
- **Confidentiality:** Board members must maintain the confidentiality of any professional advice received.

2. Procedure for Seeking Advice:

- **Identification of Need:** A board member/ board committee identifies a need for professional advice on a specific matter.
- **Request to the Board:** The board member/board committee shall submit a request to the Board through the Company Secretary, outlining:
 - The nature of the advice sought.
 - The reasons for seeking the advice.
 - The potential cost of the advice.
 - The proposed advisor (if known).
- **Board Review:** The Board shall review the request and:
 - Determines if the advice is necessary and reasonable.
 - Identifies potential conflicts of interest.
 - May consult with management or other board members.
- **Board Approval:** Upon reviewing and approving the proposal, the Board will direct management to assess competent service providers
- **Selection of Advisor:**
 - Management shall issue requests for proposals to at least 3 competent advisory service providers.
 - Criteria for selection may include:
 - Expertise and experience.
 - Independence.
 - Cost-effectiveness.
 - Reputation.
 - The Management team shall thereafter table their assessment to the respective Committee with scores pegged against the criteria set out above.
 - The Committee shall there after table their recommendation for Board approval.
- **Engagement of Advisor:**
 - Following formal Board approval, a formal engagement letter should be prepared, outlining the scope of work, fees, and confidentiality obligations.
 - The Company Secretary should maintain records of all engagement letters.
- **Delivery of Advice:**

- The advisor should provide the advice in writing, or as otherwise agreed.
- The advice should be circulated to all relevant board members.
- **Review and Consideration:**
 - The Board should review and consider the advice in a timely manner.
 - The advice should be documented in the minutes of the Board meeting.

3. Specific Considerations:

- **Legal Advice:**
 - The Company Secretary or external legal counsel may provide legal advice on routine matters.
 - For complex legal issues, independent legal counsel may be retained.
- **Financial Advice:**
 - The Audit Committee or external financial advisors may provide financial advice.
 - Independent financial advisors may be retained for significant transactions.
- **Independent Experts:**
 - The Board may retain independent experts on specific matters, such as valuation, technical issues, or industry trends.

4. Documentation and Records:

- All requests for professional advice, engagement letters, and advice received should be documented and maintained by the Company Secretary.
- The Board should regularly review its procedures for accessing professional advice to ensure their effectiveness.

These procedures aim to balance the need for board members to access professional advice with the need for good corporate governance and cost control.